

CITY OF SAN DIEGO



ADOPTED BUDGET



2015

FISCAL
YEAR

Appendix

Appendix

Fiscal Year 2015 Changes in Full-time Equivalent (FTE) Positions

ATTACHMENT A

Information reflecting changes in FTE positions from the Fiscal Year 2014 Adopted Budget by fund and department.

City Council Fiscal Year 2015 Budget Priorities

ATTACHMENT B

Memoranda that present City Council budget priorities for Fiscal Year 2015.

FY 2015 City Council Budget Priorities

ATTACHMENT C

Office of the Independent Budget Analyst, Report Number 14-03, dated January 24, 2014.

May Revision to the Fiscal Year 2015 Proposed Budget

ATTACHMENT D

A memorandum that presents the Mayor's recommended revisions to the Fiscal Year 2015 Proposed Budget, dated May 20, 2014.

Review of the FY 2015 May Revise and Recommended Revisions to the Mayor's FY 2015 Budget

ATTACHMENT E

Office of the Independent Budget Analyst, Report Number 14-20, dated June 4, 2014.

City Council Fiscal Year 2015 Budget Priorities and Recommended Budget Revisions

ATTACHMENT F

Memoranda that provide additional City Council Budget Priorities, and recommended budget revisions for Fiscal Year 2015.

Resolution R-308995

ATTACHMENT G

A Resolution of the Council of the City of San Diego adopting the Fiscal Year 2015 Budget, including approving the Mayor's Fiscal Year 2015 Proposed Budget, the May Revision to the Proposed Budget, the Independent Budget Analyst's recommended revisions to the Proposed Budget and other changes as approved by the City Council.

Resolution R-309142

ATTACHMENT H

Resolution of the Council of the City of San Diego adopting the Statement of Budgetary Principles with respect to administration by the Mayor of the Fiscal Year 2015 Budget.

Appropriation Ordinance O-20389

ATTACHMENT I

An ordinance adopting the annual budget for the Fiscal Year 2015 and appropriating the necessary money to operate the City of San Diego for said fiscal year on July 21, 2014.

Appendix

Legislative Budget Actions

The Fiscal Year 2015 budget process began with the release of the Interim Mayor's updated Five-Year Financial Outlook. The Five-Year Financial Outlook for Fiscal Years 2015-2019 provided guidance and structure for the creation of the Fiscal Year 2015 Adopted Budget, as well as a forecast for the four subsequent years. The Five-Year Financial Outlook, which was released on November 14, 2013, was reviewed and analyzed in a report by the Office of the Independent Budget Analyst (IBA) on December 6, 2013.

The creation of the Fiscal Year 2015 Proposed Budget was a combined effort undertaken by the Mayor's Office and City Departments. The Fiscal Year 2015 Proposed Budget was presented to the City Council on April 15, 2014. Subsequent to the presentation of the Proposed Budget, a Public Hearing was held on May 19, 2014, and six public hearing meetings were held by the Budget Review Committee in order to provide the public with an opportunity to provide feedback on the Proposed Budget as well as to hear Council discussion about the budget proposal.

On May 20, 2014, the Mayor issued a May Revision to the Proposed Budget. To help the Council in their deliberations on the Mayor's Proposed Budget and the May Revision, the IBA issued reports that analyzed the budget and took into consideration Council Priorities. On April 28, 2014, the IBA issued a response to the Fiscal Year 2015 Proposed Budget, followed by its report on June 4, 2014 that offered recommendations for revisions to the Fiscal Year 2015 Proposed Budget and May Revision. The Council considered the Proposed Budget and the Mayor's revisions in light of the public input received, as well as the IBA reports and recommendations.

On June 9, 2014, the City Council approved the Fiscal Year 2015 Budget that included the Fiscal Year 2015 Proposed Budget, the May Revision to the Proposed Budget, the IBA's recommended revisions to the Proposed Budget and other changes as approved by the City Council.

On July 16, 2014, the Fiscal Year 2014 Appropriation Ordinance was presented to the Budget and Government Efficiency Committee, and was introduced and adopted by the City Council on July 21, 2014.

Table 1 below reflects the changes in Full-time Equivalent positions (FTE) in the General Fund from the Fiscal Year 2014 Adopted Budget by department. Descriptions of these changes in positions immediately follow.

Table 1: General Fund FTE Changes in Positions

Department	FY 2014 Adopted Budget	FY 2015 Adopted Budget	Change
Administration	12.00	-	(12.00)
Business Office	-	-	-
City Attorney	345.86	347.85	1.99
City Auditor	21.00	21.00	-
City Clerk	45.28	45.28	-
City Comptroller	82.75	82.75	-
City Treasurer	119.63	106.73	(12.90)
Civic & Urban Initiatives	6.00	-	(6.00)
Communications	5.00	30.00	25.00
Council Administration	13.30	16.13	2.83
Council District 1	10.00	10.00	-
Council District 2	10.00	10.00	-
Council District 3	10.00	10.00	-
Council District 4	10.00	10.00	-
Council District 5	9.00	9.00	-
Council District 6	10.00	10.00	-
Council District 7	10.00	10.00	-
Council District 8	10.00	10.00	-
Council District 9	10.00	10.00	-
Debt Management	19.00	19.00	-
Department of Information Technology	-	-	-
Development Services	107.75	63.00	(44.75)
Economic Development	46.00	50.70	4.70
Environmental Services	137.69	137.09	(0.60)
Ethics Commission	5.00	5.00	-
Financial Management	30.00	30.00	-
Fire-Rescue	1,165.52	1,170.97	5.45
Human Resources	18.00	19.75	1.75
Infrastructure/Public Works	4.37	7.35	2.98
Internal Operations		1.50	1.50
Library	410.93	434.52	23.59
Neighborhood Services		5.50	5.50
Office of Homeland Security	13.40	13.60	0.20
Office of the Assistant COO	8.00	6.00	(2.00)
Office of the Chief Financial Officer	5.00	2.00	(3.00)
Office of the Chief Operating Officer	2.00	4.35	2.35
Office of the IBA	10.00	10.00	-
Office of the Mayor	26.16	29.00	2.84
Park & Recreation	782.84	797.78	14.94
Performance and Analytics		8.00	8.00
Personnel	60.36	63.31	2.95
Planning		62.08	62.08
Police	2,528.79	2,587.52	58.73
Public Works - Contracting	19.00	19.00	-
Public Works - Engineering & Capital Projects	470.88	-	(470.88)
Public Works - General Services	123.00	130.00	7.00
Purchasing & Contracting	41.59	55.20	13.61
Real Estate Assets	28.00	28.00	-
Transportation & Storm Water	464.40	476.33	11.93
Total General Fund FTE Changes	7,267.50	6,975.29	(292.21)

Attachment A

General Fund FTE Changes

Administration: 12.00 FTE Decrease

- (3.00) Transfer of the Citizens' Assistance Program from the Administration Department to the Human Resources Department.
- (1.00) Transfer of 1.00 Paramedic Coordinator from the Administration Department to the Fire-Rescue Department's Emergency Medical Services Division.
- (1.00) Transfer of 1.00 Executive Secretary from the Administration Department to the Neighborhood Services Department to support the Human Relations Commission and the Citizens' Review Board.
- (1.00) Transfer of the Gang Commission from the Administration Department to the Neighborhood Services Department.
- (2.00) Transfer of the Living Wage Program from the Administration Department to the Purchasing & Contracting Department.
- (1.00) Transfer of 1.00 Department Director from the Administration Department to the Office of the Assistant Chief Operating Officer.
- (2.00) Transfer of the Docket Office from the Administration Department to Office of the Chief Operating Officer.
- (1.00) Transfer of 1.00 Mayor Representative 2 from the Administration Department to the Office of the Mayor.

City Attorney: 1.99 FTE Increase

- 1.99 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

City Treasurer: 12.90 FTE Decrease

- 1.00 Addition of 1.00 Collections Manager to assist in the oversight of the Delinquent Accounts Program.
- 2.00 Addition of 2.00 Public Information Clerks related to the implementation of the Neighborhood Parking Protection Ordinance.
- 1.10 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- (15.00) Transfer of the Parking Meter Operations Program from the General Fund to a special revenue fund.
- (1.00) Reduction of 1.00 Public Information Clerk as a result of efficiencies gained from issuing all Neighborhood Parking Protection Ordinance permits online.
- (1.00) Reduction of 1.00 Senior Management Analyst as a result of departmental efficiencies.

Civic & Urban Initiatives: 6.00 FTE Decrease

- (6.00) Transfer of the Civic & Urban Initiatives Department to the Planning Department.

Communications: 25.00 FTE Increase

- 1.00 Addition of 1.00 Department Director to lead the Communications Department.
- 1.00 Addition of 1.00 Graphic Designer to provide communications services for the Public Utilities Department.
- 1.00 Addition of 1.00 Senior Public Information Officer to provide communications services for the Underground Surcharge Fund.
- 1.00 Transfer of the City Planning Division of the Development Services Department to the Planning Department.
- 20.00 Transfer of communications-related position(s) to the Communications Department.
- 1.00 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

General Fund FTE Changes (Cont'd)

Council Administration: 2.83 FTE Increase

- 1.00 Addition of 1.00 Council Representative 1 to support the City Council Offices and Office of the IBA, and to assist with contract administration for Community Projects, Programs, and Services funds and Arts, Culture, and Community Festivals funds.
- 1.00 Addition of 1.00 Information Systems Analyst 3 to maintain critical service level needs for the City Council Offices, the Office of the IBA, and weekly meeting needs of the City Council and Standing Committees. This position will also provide program support to the Council Offices.
- 0.83 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Development Services: 44.75 FTE Decrease

- 1.00 Addition of 1.00 Zoning Investigator 2 to provide enforcement for citywide violations related to residential rental properties.
- 1.00 Addition of 1.00 Program Manager to oversee the Building and Housing Section.
- (45.75) Transfer of the City Planning Division of the Development Services Department to the Planning Department.
- 1.00 Addition of 1.00 Program Manager to oversee the Land Development Review Section.
- (4.00) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- (1.00) Transfer of 1.00 Program Manager from the Development Services Department to the Economic Development Department for the Office of Small Business Program.
- 1.00 Addition of 1.00 Zoning Investigator 2 to support the Property Value Protection Ordinance.
- (1.00) Reduction of 1.00 Senior Zoning Investigator from the Neighborhood Code Compliance Division.
- 1.00 Addition of 1.00 Combination Inspector 2 to oversee storm water regulations, inspections, and actions.
- 2.00 Addition of 1.00 Compliance Officer and 1.00 Word Processing Operator for code enforcement and support related to the Utilities Undergrounding Program.

Economic Development: 4.70 FTE Increase

- 1.00 Addition of 1.00 Community Development Coordinator to manage the compliance and monitoring section of HUD Programs.
- 1.00 Addition of 1.00 Department Director to lead the Economic Development Department.
- 1.00 Addition of 1.00 Program Manager to implement the Climate Action Plan and Sustainability Initiatives.
- 0.20 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 1.00 Transfer of 1.00 Program Manager from the Development Services Department to the Economic Development Department for the Office of Small Business Program.
- 0.50 Adjustment to reflect the increase of a Word Processing Operator from half-time to full-time for the Small Business Enhancement Program.

Attachment A

General Fund FTE Changes (Cont'd)

Environmental Services: 0.60 FTE Decrease

- (0.70) Transfer of communications-related position(s) to the Communications Department.
- (0.63) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 0.50 Transfer of 1.00 Program Manager to support the Collection Services Division allocated across multiple funds.
- 0.23 Reallocation of 1.00 Supervising Management Analyst across multiple funds to support the Office of the Director Division.

Financial Management: 0.00 FTE Change

- 0.00 Addition of 4.00 Program Coordinators offset by a reduction of 4.00 Supervising Budget Development Analysts.

Fire-Rescue: 5.45 FTE Increase

- 1.00 Addition of 1.00 Lifeguard 3 at Windansea Beach for summer months and at the Boating Safety Unit during non-summer months.
- 2.00 Addition of 2.00 Information System Analyst 2s to maintain critical City computer systems, including the Computer Aided Dispatch (CAD) system.
- 1.00 Addition of 1.00 Information System Analyst 3 to conduct database analysis and maintain critical City computer systems, including the Computer Aided Dispatch (CAD) system.
- 4.00 Addition of 4.00 Lifeguard 3s for the Lifeguard Division's Boating Safety Unit.
- (2.55) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Human Resources: 1.75 FTE Increase

- 3.00 Transfer of the Citizens' Assistance Program from the Administration Department to the Human Resources Department.
- (2.00) Transfer of the Human Relations Commission and the Citizens' Review Board from the Human Resources Department to the Neighborhood Services Department.
- 0.75 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Infrastructure/Public Works: 2.98 FTE Increase

- 1.00 Addition of 1.00 Program Manager (Asset Manager) and revenue to support citywide infrastructure asset management initiatives.
- 2.00 Addition of 1.00 Deputy Chief Operating Officer and 1.00 Executive Secretary to implement the Improvement to Government Operations Plan approved by City Council.
- (0.02) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

General Fund FTE Changes (Cont'd)

Internal Operations: 1.50 FTE Increase

- 1.50 Addition of 1.00 Deputy Chief Operating Officer and 0.50 Executive Secretary to implement the Improvement to Government Operations Plan as approved by the City Council.

Library: 23.59 FTE Increase

- 4.00 Addition of 4.00 Custodian 2s offset by a decrease in contractual cost for janitorial services.
- 6.90 Addition of 2.00 Librarian 2s and 4.90 FTE non-standard hour positions for the Do Your Homework @ the Library after-school program.
- (1.00) Transfer of communications-related position(s) to the Communications Department.
- 16.19 Addition of 16.19 FTE positions to support expanded service hours at all San Diego Public Library locations.
- (2.50) Reduction of 2.50 Library Aides that have remained vacant since Fiscal Year 2012, resulting in no service level impact.

Neighborhood Services: 5.50 FTE Increase

- 1.00 Addition of 1.00 Executive Director to restore a full-time position for the Citizens' Review Board.
- 1.00 Transfer of 1.00 Executive Secretary from the Administration Department to the Neighborhood Services Department to support the Human Relations Commission and the Citizens' Review Board.
- 1.00 Transfer of the Gang Commission from the Administration Department to the Neighborhood Services Department.
- 2.00 Transfer of the Human Relations Commission and the Citizens' Review Board from the Human Resources Department to the Neighborhood Services Department.
- 1.50 Addition of 1.00 Deputy Chief Operating Officer and 0.50 Executive Secretary to implement the Improvement to Government Operations Plan as approved by the City Council.
- (1.00) Reduction of 1.00 Senior Department Human Resources Analyst.

Office of Homeland Security: 0.20 FTE Increase

- 0.20 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Office of the Assistant COO: 2.00 FTE Decrease

- 3.00 Transfer of the Corporate Partnerships and Development program from the Office of the Chief Financial Officer into the Office of the Assistant Chief Operating Officer.
- (6.00) Transfer of the Business Office Section of the Office of the Assistant Chief Operating Officer to the Performance and Analytics Department.
- 1.00 Transfer of 1.00 Department Director from the Administration Department.

Attachment A

General Fund FTE Changes (Cont'd)

Office of the Chief Financial Officer: 3.00 FTE Decrease

- (3.00) Transfer of the Corporate Partnerships and Development program from the Office of the Chief Financial Officer into the Office of the Assistant Chief Operating Officer.

Office of the Chief Operating Officer: 2.35 FTE Increase

- 0.35 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 2.00 Transfer of the Docket Office from the Administration Department to Office of the Chief Operating Officer.

Office of the Mayor: 2.84 FTE Increase

- 2.00 Addition of 2.00 Mayor Representative 2s to support the Office of the Mayor.
- (0.16) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 1.00 Transfer of 1.00 Mayor Representative 2 from the Administration Department to the Office of the Mayor.

Park & Recreation: 14.94 FTE Increase

- 0.50 Addition of 1.00 Information Systems Analyst 2, offset by a reduction of 0.50 Recreation Specialist, to implement the online registration system and other IT projects.
- 2.00 Addition of 1.00 Tree Trimmer and 1.00 Aquatics Technician 1 to support the maintenance and operations of the Memorial Pool expansion and other park forestry and aquatics needs.
- 2.00 Addition of 2.00 Grounds Maintenance Worker 2s to convert neighborhood parks at Villa La Jolla, South Village, and Torrey Del Mar from contractual maintenance to City maintenance.
- 3.00 Addition of 3.00 Pool Guard 2s - Hourly to support the expansion of the Memorial Pool.
- 0.37 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 1.50 Addition of 1.00 Park Designer and 0.50 Management Intern - Hourly to support the condition/needs assessment of park assets.
- 1.00 Addition of 1.00 Grounds Maintenance Worker 2 to support the maintenance and operations at Balboa Park Central Mesa.
- 1.50 Addition of 1.00 Park Ranger and 0.50 Recreation Center Director 1 to restore overnight weekend camping at the Kumeyaay Campground.
- 0.16 Addition of 0.16 Grounds Maintenance Worker 2 - Hourly to support the maintenance and operations of the Cabrillo Heights Neighborhood Park.
- 0.16 Addition of 0.16 Grounds Maintenance Worker 2 - Hourly to support the maintenance and operations of the Central Avenue Mini Park.
- 0.33 Addition of 0.33 Grounds Maintenance Worker 2 - Hourly to support the maintenance and operations of the Ed Cramer Park.
- 1.00 Addition of 1.00 Park Ranger to support the maintenance and operations of new open space acreage.
- 0.42 Addition of 0.42 Grounds Maintenance Worker 2 - Hourly to support the maintenance and operations of the Solana Ranch Neighborhood Park.
- 1.00 Addition of 1.00 Park Ranger to support the coastline area.

General Fund FTE Changes (Cont'd)

Performance and Analytics: 8.00 FTE Increase

- 1.00 Addition of 1.00 Program Manager to serve as the Open Data Officer.
- 1.00 Addition of 1.00 Department Director to lead the Performance and Analytics Department.
- 6.00 Transfer of the Business Office Section of the Office of the Assistant Chief Operating Officer to the Performance and Analytics Department.

Personnel: 2.95 FTE Increase

- 1.00 Addition of 1.00 Associate Personnel Analyst to administer the bilingual retest program for the Police and Fire Departments.
- 1.00 Addition of 1.00 Associate Personnel Analyst to assist the hiring departments.
- 1.00 Addition of 1.00 Information Systems Analyst 2 to provide additional support for the NEOGOV system maintenance and upgrades.
- (0.05) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Planning: 62.08 FTE Increase

- 2.00 Addition of 1.00 Associate Planner and 1.00 Assistant Traffic Engineer for community plan updates.
- 1.00 Addition of 1.00 Associate Planner for Historic Resources Planning.
- 1.00 Addition of 1.00 Program Manager for implementation of a Citywide Urban Forestry Program.
- 1.00 Addition of 1.00 Word Processing Operator to support CEQA and Urban Design staff.
- 7.00 Transfer of 7.00 Associate Planners from the Development Services Department to the Planning Department for California Environmental Quality Act (CEQA) and Urban Design.
- 44.75 Transfer of the City Planning Division of the Development Services Department to the Planning Department.
- 6.00 Transfer of the Civic & Urban Initiatives Department to the Planning Department.
- 1.00 Addition of 1.00 Clerical Assistant 2 for community planning support.
- 1.00 Addition of 1.00 Planning Director, 1.00 Assistant Planning Director, and 1.00 Deputy Planning Director, and the reduction of 1.00 Program Manager and 1.00 Program Coordinator for Civic & Urban Initiatives as part of the improvement to government operations approved by City Council.
- 2.33 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- (4.00) Reduction of 1.00 Program Manager and 3.00 Program Coordinators that support Civic & Urban Initiatives.
- (1.00) Reduction of 1.00 Deputy Director to offset the addition of 1.00 Department Director in the Economic Development Department.

Attachment A

General Fund FTE Changes (Cont'd)

Police: 58.73 FTE Increase

- 1.00 Addition of 1.00 Assistant Police Chief to support the Police Department operations.
- 17.00 Addition of 17.00 FTE positions to support the Police Department operations as part of the five-year staffing plan including enforcement of the Neighborhood Parking Protection Ordinance.
- 18.00 Addition of 7 Police Sergeants, 7 Police Detectives, 2 Police Officer 3s, 20 Police Officer 2s to support an increase in Police Academy recruits from 34 to 43 for each of the four academies held throughout Fiscal Year 2015 as part of the five-year staffing plan.
- 8.40 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 9.00 Addition of 9.00 Police Officer 2s that were added for the May 2014 academy.
- (2.00) Reduction of 2.00 Police Code Compliance Officers that have remained vacant since Fiscal Year 2012, resulting in no service level impact.
- 7.33 Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.

Public Works - Engineering & Capital Projects: 470.88 FTE Decrease

- (4.00) Transfer of communications-related position(s) to the Communications Department.
- (16.13) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- (2.00) Transfer of 1.00 Principal Engineering Aide and 1.00 Junior Engineering Aide from the Public Works - Engineering & Capital Projects Department to the Transportation & Storm Water Department Underground Surcharge Fund.
- (448.75) Transfer of the Engineering & Capital Projects Department from the General Fund to an internal service fund.

Public Works - General Services: 7.00 FTE Increase

- 7.00 Addition of 7.00 FTE positions to provide facilities maintenance support.

Purchasing & Contracting: 13.61 FTE Increase

- 1.00 Addition of 1.00 Senior Management Analyst to support the enforcement of the Living Wage Ordinance.
- 2.00 Transfer of the Living Wage Program from the Administration Department to the Purchasing & Contracting Department.
- (0.39) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 7.00 Addition of 7.00 FTE positions to support the Equal Opportunity Contracting Prevailing Wage Program.
- 4.00 Addition of 4.00 FTE positions to provide procurement services for the Public Utilities Department.

General Fund FTE Changes (Cont'd)

Transportation & Storm Water: 11.93 FTE Increase

- (4.00) Transfer of communications-related position(s) to the Communications Department.
- (9.91) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- (5.83) Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- 5.00 Addition of 5.00 FTE positions for the completion of the sidewalk assessment that began in Fiscal Year 2014.
- 9.67 Addition of 9.67 FTE positions for compliance with the Bacteria Total Maximum Daily Load (TMDL) and municipal storm water permit requirements.
- 4.00 Addition of 2.00 Principal Engineering Aides and 2.00 Assistant Engineer-Civils to support street resurfacing projects.
- 14.00 Addition of a net 14.00 FTE positions to support the Streets and Sidewalk Maintenance alternative proposal.
- (1.00) Transfer of 1.00 Associate Engineer-Civil from the Transportation & Storm Water Department General Fund to the Transportation & Storm Water Department Underground Surcharge Fund.

Attachment A

Table 2 below reflects the changes in FTE positions in the Non-General Funds from the Fiscal Year 2014 Adopted Budget by fund. Descriptions of these changes in positions immediately follow.

Table 2: Non-General Funds FTE Changes in Positions

Fund	FY 2014 Adopted Budget	FY 2015 Adopted Budget	Change
Airports Fund	18.00	19.00	1.00
Central Stores Fund	23.34	23.35	0.01
City Employee's Retirement System Fund	64.00	64.00	-
Concourse and Parking Garages Operating Fund	2.00	2.00	-
Development Services Fund	430.75	424.75	(6.00)
Energy Conservation Program Fund	12.60	12.60	-
Engineering & Capital Projects Fund		484.60	484.60
Facilities Financing Fund	15.35	16.35	1.00
Fire/Emergency Medical Services Transport Program Fund	31.00	32.00	1.00
Fleet Services Operating Fund	169.50	177.50	8.00
GIS Fund	2.00	2.00	-
Golf Course Fund	98.00	97.00	(1.00)
Information Technology Fund	39.00	42.00	3.00
Junior Lifeguard Program Fund	1.00	1.00	-
Local Enforcement Agency Fund	6.00	6.00	-
Los Penasquitos Canyon Preserve Fund	2.00	2.00	-
Maintenance Assessment District (MAD) Management Fund	23.75	25.25	1.50
Metropolitan Sewer Utility Fund	447.35	463.30	15.95
Municipal Sewer Revenue Fund	413.16	408.33	(4.83)
OneSD Support Fund	17.50	17.00	(0.50)
Parking Meter Operations Fund		15.00	15.00
PETCO Park Fund	1.00	1.00	-
Publishing Services Fund	10.00	10.00	-
QUALCOMM Stadium Operations Fund	37.00	38.00	1.00
Recycling Fund	107.33	107.98	0.65
Refuse Disposal Fund	149.02	147.20	(1.82)
Risk Management Administration Fund	79.88	82.13	2.25
Transient Occupancy Tax Fund	9.00	12.00	3.00
Underground Surcharge Fund	2.00	7.00	5.00
Water Utility Operating Fund	703.08	717.82	14.74
Wireless Communications Technology Fund	44.76	44.76	-
Total Non-General Fund FTE Changes	2,959.37	3,502.92	543.55

Non-General Fund FTE Changes (Cont'd)

Airports Fund: 1.00 FTE Increase

- 1.00 Addition of 1.00 Property Agent to manage the department's portfolio of tenants.

Central Stores Fund: 0.01 FTE Increase

- 0.01 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Development Services Fund: 6.00 FTE Decrease

- (7.00) Transfer of 7.00 Associate Planners from the Development Services Department to the Planning Department for California Environmental Quality Act (CEQA) and Urban Design.
- (2.00) Transfer of communications-related position(s) to the Communications Department.
- 3.00 Addition of 3.00 Deputy Director positions to manage and improve operational functions in the Administrative Financial Services, Building Inspection, and Engineering Sections in the Development Services Department.

Energy Conservation Program Fund: 0.00 FTE Increase

- 1.00 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- (1.00) Transfer of 1.00 Program Manager to support the Collection Services Division allocated across multiple funds.

Engineering & Capital Projects Fund: 484.60 FTE Increase

- 2.00 Addition of 2.00 Assistant Deputy Directors for the Right-of-Way Division and the Field Division.
- 1.00 Addition of 1.00 Associate Engineer-Civil to manage the construction change order process.
- 9.00 Addition of half-year funding for 7.00 Associate Engineers-Civil, 6.00 Assistant Engineers, 3.00 Principal Engineering Aides, and 2.00 Senior Engineering Aides to support the expansion of the Capital Improvement Program and increased development projects.
- 6.00 Addition of 4.00 Land Survey Assistants and 2.00 Principal Survey Assistants to support the expansion of the Capital Improvement Program and increased development projects.
- 1.00 Addition of 1.00 Senior Management Analyst to improve the financial reporting capabilities of Primavera.
- 2.00 Addition of 1.00 Assistant Engineer-Civil and 1.00 Associate Engineer-Civil to support Golf Capital Improvements Program projects.
- 14.85 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 448.75 Transfer of the Engineering & Capital Projects Department from the General Fund to an internal service fund.

Attachment A

Non-General Fund FTE Changes (Cont'd)

Facilities Financing Fund: 1.00 FTE Increase

- (15.00) Transfer of the Facilities Financing Program from the Development Services Department to the Planning Department.
- (0.35) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 1.00 Addition of 1.00 Senior Civil Engineer for reimbursement agreements and cost estimates for Public Facilities Financing Plans.
- 15.00 Transfer of the Facilities Financing Program from the Development Services Department to the Planning Department.
- 0.35 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Fire/Emergency Medical Services Transport Program Fund: 1.00 FTE Increase

- 1.00 Transfer of 1.00 Paramedic Coordinator from the Administration Department to the Fire-Rescue Department's Emergency Medical Services Division.

Fleet Services Operating Fund: 8.00 FTE Increase

- 8.00 Addition of 8.00 FTE positions due to service level increases above the Fleet Services Managed Competition bid.

Golf Course Fund: 1.00 FTE Decrease

- (1.00) Transfer of communications-related position(s) to the Communications Department.

Information Technology Fund: 3.00 FTE Increase

- 1.00 Addition of 1.00 IT Contracts Manager to lead the IT contracts management section.
- 2.00 Addition of 2.00 Assistant IT Contracts Managers to assist the IT Contracts Manager and oversee daily contracts management.

Non-General Fund FTE Changes (Cont'd)

Metropolitan Sewer Utility Fund: 15.95 FTE Increase

- (1.86) Transfer of communications-related position(s) to the Communications Department.
- 3.00 Adjustment to reflect the addition of staffing for the continuation of core operations.
- 0.33 Adjustment to reflect the addition of funding and staff support for the implementation and integration of Enterprise Asset Management (EAM) and Geographic Information Systems (GIS).
- 0.78 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 0.33 Addition of 1.00 Program Manager to coordinate and manage the Wastewater and Water Construction & Maintenance branch.
- 9.20 Reallocation among funds to more accurately reflect operational expenditures as well as an adjustment due to efficiencies realized.
- 1.15 Adjustment to reflect the addition of funding to support the Quality Assurance workplan and other employee services.
- (1.14) Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- 4.16 Adjustment to reflect the addition of staffing and support for the Potable Reuse Program.

Municipal Sewer Revenue Fund: 4.83 FTE Decrease

- (0.72) Transfer of communications-related position(s) to the Communications Department.
- 0.18 Adjustment to reflect the addition of funding and staff support for the implementation and integration of Enterprise Asset Management (EAM) and Geographic Information Systems (GIS).
- 4.53 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 0.18 Addition of 1.00 Program Manager to coordinate and manage the Wastewater and Water Construction & Maintenance branch.
- (9.88) Reallocation among funds to more accurately reflect operational expenditures as well as an adjustment due to efficiencies realized.
- 0.64 Adjustment to reflect the addition of funding to support the Quality Assurance workplan and other employee services.
- 0.14 Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- 0.10 Adjustment to reflect the addition of staffing and support for the Potable Reuse Program.

OneSD Support Fund: 0.50 FTE Decrease

- (0.50) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Attachment A

Non-General Fund FTE Changes (Cont'd)

Parking Meter Operations Fund: 15.00 FTE Increase

15.00 Transfer of the Parking Meter Operations Program from the General Fund to a special revenue fund.

QUALCOMM Stadium Operations Fund: 1.00 FTE Increase

1.00 Addition of 1.00 Stadium Coordinator to assist in administering policies and programs, including event management.

Recycling Fund: 0.65 FTE Increase

- (0.62) Transfer of communications-related position(s) to the Communications Department.
- (0.14) Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 0.50 Transfer of 1.00 Program Manager to support the Collection Services Division allocated across multiple funds.
- 0.60 Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- 0.31 Reallocation of 1.00 Supervising Management Analyst across multiple funds to support the Office of the Director Division.

Refuse Disposal Fund: 1.82 FTE Decrease

- (0.68) Transfer of communications-related position(s) to the Communications Department.
- (0.60) Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- (0.54) Reallocation of 1.00 Supervising Management Analyst across multiple funds to support the Office of the Director Division.

Risk Management Administration Fund: 2.25 FTE Increase

- 1.00 Addition of 1.00 Claims Representative 2 to support state-mandated business functions and reporting requirements.
- 1.00 Addition of 1.00 Program Manager to oversee and support information technology systems to comply with state-mandated reporting requirements.
- 0.25 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.

Non-General Fund FTE Changes (Cont'd)

Transient Occupancy Tax Fund: 3.00 FTE Increase

- 1.00 Addition of 1.00 Associate Management Analyst to support art-related programs and services.
- 1.00 Addition of 1.00 Associate Management Analyst to support special event programs, services, and visitor industry initiatives that promote San Diego as a tourist destination.
- 1.00 Addition of 1.00 Senior Planner to support environmental review for all special event and park use permit applications for California Environmental Quality Act (CEQA) compliance.

Underground Surcharge Fund: 5.00 FTE Increase

- 1.00 Transfer of 1.00 Associate Engineer-Civil from the Transportation & Storm Water Department General Fund to the Transportation & Storm Water Department Underground Surcharge Fund.
- 2.00 Transfer of 1.00 Principal Engineering Aide and 1.00 Junior Engineering Aide from the Public Works - Engineering & Capital Projects Department to the Transportation & Storm Water Department Underground Surcharge Fund.
- 2.00 Addition of 2.00 Assistant Engineers-Civil to support the citywide Utilities Undergrounding Program.

Water Utility Operating Fund: 14.74 FTE Increase

- (3.42) Transfer of communications-related position(s) to the Communications Department.
- 2.00 Adjustment to reflect the addition of staffing and support for conservation outreach and rebate programs.
- 1.00 Adjustment to reflect the addition of staffing for the continuation of core operations.
- 0.49 Adjustment to reflect the addition of funding and staff support for the implementation and integration of Enterprise Asset Management (EAM) and Geographic Information Systems (GIS).
- 8.03 Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.
- 0.49 Addition of 1.00 Program Manager to coordinate and manage the Wastewater and Water Construction & Maintenance branch.
- 0.68 Reallocation among funds to more accurately reflect operational expenditures as well as an adjustment due to efficiencies realized.
- 1.71 Adjustment to reflect the addition of funding to support the Quality Assurance workplan and other employee services.
- (1.00) Reduction of 1.00 Lake Aide 1 due to the use of hourly Lake Aide 1 positions.
- 0.52 Adjustments to reflect the annualization of the Fiscal Year 2014 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.
- 2.24 Adjustment to reflect the addition of staffing and support for the Potable Reuse Program.
- 2.00 Addition of 2.00 Water Systems Technician 4s to support reservoir maintenance and operation.

Attachment B



CITY OF SAN DIEGO

COUNCIL PRESIDENT PRO TEM SHERRI S. LIGHTNER, DISTRICT ONE

COUNCILMEMBER MYRTLE COLE, DISTRICT FOUR

COUNCILMEMBER DAVID ALVAREZ, DISTRICT EIGHT

COUNCILMEMBER MARTI EMERALD, DISTRICT NINE

JOINT BUDGET MEMORANDUM

DATE: January 17, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Sherri S. Lightner

Councilmember Myrtle Cole

Councilmember David Alvarez

Councilmember Marti Emerald

Sherri S. Lightner Myrtle Cole
David Alvarez Marti Emerald

SUBJECT: Fiscal Year 2015 Proposed Budget Priorities

San Diego is made up of a number of diverse communities, all of which have different characteristics that make them unique and valuable to the rest of the City. It is this fabric of diverse communities made up of even more neighborhoods that makes San Diego strong. As such, our offices are pleased to collaborate on a joint budget proposal that has a primary focus of prioritizing the needs of neighborhoods throughout the entire city. Every community deserves to have resources that their tax dollars pay for, such as adequate fire-rescue, police and lifeguard services, streets that are paved and also well lit by streetlights, safe sidewalks, libraries, parks and many more services. For far too long, the City budget has not reflected equality to all areas of San Diego. This proposed budget aims to put an end to that and focus on neighborhoods first.

The following are our priorities for additional funding in the Fiscal Year 2015 Budget:

Priorities for Ongoing Funding:

Public Safety:

- **San Diego Police Department Five Year Plan:** \$2,300,000 in additional funding for FY15 to continue implementing the Five Year Plan that was unanimously approved by Council on November 5, 2013. Over the past several years, our Police Department's budget has been reduced in many areas, including personnel and equipment. This Five Year Plan will begin rebuilding the police department and will create safer neighborhoods throughout the city. The funding includes \$1,100,000 for 16.0 FTE sworn positions and \$1,200,000 for 16.0 FTE civilian positions for a total of \$2,300,000.
- **Fire-Rescue Department implementation of Citygate recommendations for new fire stations:** \$3,621,637 in FY15 to move forward with the recommendations contained in the Citygate report regarding the addition of new fire stations to improve fire-rescue coverage, citywide. Three new fire stations are anticipated to be added within the next five years—Eastside Mission Valley, Home Avenue, and Skyline Hills. The FY15 Budget must include operating and maintenance costs for the Eastside Mission Valley Fire Station, which is anticipated to open in FY15. The cost includes the addition of 12.0 FTEs. The new fire stations will improve fire safety within the City by reducing delays and service deficiencies in response to fire and medical emergencies.
- **Lifeguard Boating Safety Unit:** \$554,812 to fund one Boating Safety Unit (BSU) Lifeguard III position 24 hours a day, 7 days a week. This is the equivalent of 4.0 FTEs. This increase in staffing is needed because there has been no increased staffing at the BSU for over 25 years, while duties, responsibilities and Lifeguard safety issues have increased significantly. This position will provide much needed staffing for operations during the day and also improve staffing during emergencies on nighttime responses.
- **Brush Management:** \$924,000 for the proactive Brush Management Program, which decreases the risk of wildfire by thinning out vegetation that could become increasingly flammable over years of drought. The program was developed and implemented in 2008 by the Fire-Rescue Department as a result of the 2007 wildfires. Prior to 2008, the Department responded to citizen complaints only. The Park and Recreation Department manages and conducts brush management in the City's open space lands. Brush Management contractual costs have increased from \$2,051 per acre to \$5,720 per acre since the expansion of the program in 2008. The contract covers 300 of the 452 acres required to be thinned annually. The remaining acreage is managed by City staff and budgeted contracts with non-profit groups. The addition of funds will enable the Park and Recreation Department to continue brush management services as required by the City's brush management policy.

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- **Skyline Drive Temporary Fire Station:** \$2,741,637 for the addition of personnel and non-personnel expenditures related to a temporary fire station to be located at the intersection of Skyline Drive and Sychar Road. The FY 2015 costs include \$1.5 million for personnel for 12.0 FTEs, \$0.8 million for a new fire engine, and \$0.4 million for demolition and setup costs of the temporary station.
- **Chollas Lake Park Ranger:** \$80,456 for one Park Ranger to patrol Chollas Lake Regional Park, consistent with other regional parks, to address quality of life issues that are currently being handled by Police. The total cost for one (1) Park Ranger for one year including PE, NPE and a onetime outlay for a vehicle is \$80,456. *(Please note that for future years, the cost decreases to \$50,456 when you subtract the onetime cost of \$30,000 for a vehicle.)*
- **La Jolla Shoreline Park Ranger:** \$80,456 for one Park Ranger to patrol the La Jolla coastline to address quality of life issues that are currently being handled by Police and Lifeguards, resulting in both departments being called away from their primary missions to respond to issues that could better and more cost-effectively be addressed by a Park Ranger. The total cost for one (1) Park Ranger for one year including PE, NPE and a onetime outlay for a vehicle is \$80,456. *(Please note that for future years, the cost decreases to \$50,456 when you subtract the onetime cost of \$30,000 for a vehicle.)*

Community Services:

- **Park and Recreation New Facilities:** \$566,187 for the addition of personnel and non-personnel expenses for new park facilities anticipated to open during FY 2015.
 - \$566,187 is needed for the new facilities, including Montgomery Academy, Civita Central Park, Cabrillo Heights Neighborhood Park, Canyonside Community Park, Cypress Canyon Community Park, Ed Cramer Park, Gonzales Canyon Neighborhood Park, Mira Mesa Community Park, Wedgeforth Elementary, Creekside Park, Morley Green, and Angier Elementary.
 - An additional \$352,000 will be needed in future years for the ongoing operations and maintenance of additional facilities for which we are advocating one-time construction costs in this memo, including Pacific Breezes Neighborhood Park (\$218,000), Riviera del Sol Neighborhood Park (\$63,000), Hidden Trails Neighborhood Park (\$48,000) and Wightman Street Neighborhood Park (\$23,000).
- **Library Hours:** \$1,707,941 for the addition of personnel expenses to increase Central and Branch Library hours. This item provides funding to increase Central Library hours by three bringing the total to 52 hours per week and Branch Library hours by four to reach a core library schedule of 48 hours per week.
- **Homelessness Services:** \$1,900,000 for outcomes-focused services and critical program enhancements that result in the most effective use of our resources and a coordinated

system to help end homelessness, including an enhanced single adult winter shelter and veterans winter shelter, a Homeless Management Information System, Serial Inebriate Program expansion, enhancement of the Neil Good Day Center services and Homeless Outreach Team, a homeless transitional storage facility and Connections Housing Downtown gap funding.

- **La Jolla Cove Cleanup:** \$100,000 for the ongoing cleanup of accumulated bird guano along the bluffs at La Jolla Cove. Odor-neutralizing treatments will be applied on an as-needed basis, likely before and after bird nesting season each year, at a cost of approximately \$50,000 per treatment.

Operational Needs:

- **City Clerk:** \$174,135 for the addition of revenue, personnel and non-personnel expenditures related to projects the Office of the City Clerk is required to implement. The projects to be implemented include:
 - New master record schedule
 - Records Retention Management Program
 - City Council chamber upgrades
 - NetFile contract increase
 - Passport Acceptance Facility Program
 - Scanning operations
 - Election support
- **Civil Service Hiring Improvements:** \$566,998 for 8.0 FTEs in the Personnel Department to improve the civil service hiring process and decrease the amount of time it takes to hire city employees by setting up a background check and medical one stop shop and adding personnel to the recruitment and exam management section. This is critical to make sure existing vacancies in each city department are filled in a timely manner and are not eliminated from the budget. Doing so will help the City to provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. For example, the Neighborhood Code Compliance Department currently has 13 vacant positions that must be filled in FY15.
- **Improvement of Government Operations:** \$1,158,962 in additional revenue for the Improvement of Government Operations Plan as approved by City Council on October 28, 2013. Expenditure additions include funding for a management academy, efficiency study, and personnel expenses for the following positions:
 - 3.0 FTE Deputy Chief Operating Officers
 - 3.0 FTE Executive Secretaries
 - FTE Planning Director
 - FTE Assistant Planning Director

Attachment B

Partially offsetting the increased expenditures is a projected increase in General Government Services Billing (GGSP) revenue allocations to the General Fund, which will increase as a result of the implementation of this plan. Additionally, this plan included the reduction of three positions that assisted in offsetting the projected additional expenditures.

- **Department of Information Technology:** \$233,890 to address critical needs, including capital lease reduction, public safety communication equipment and other information technology operating needs.
- **Open Data Policy:** \$76,672 for the addition of 1.0 FTE Program Manager (Chief Data Officer) to support the City Council's request to establish an open data program.

City Commitments:

- **Climate Action Plan:** \$122,210 for a Program Manager (1.0 FTE) to move the Climate Action Plan forward and track its progress and success. The Mayor's Office and the City Council's Committee on the Environment have held a number of hearings regarding the process of updating the City's Climate Action Plan (CAP). The CAP is a critical step in implementing policies that will allow the City to prepare for the known impacts of climate change. Once approved, the CAP will require staffing to allow for coordination among city departments and community partners.
- **Living Wage Ordinance:** \$230,000 for the addition of 2.0 FTEs, including fringe, for a Program Manager and Senior Management Analyst to perform monitoring and ensure compliance with the newly expanded living wage program that was approved by the Economic Development and Intergovernmental Relations Committee in January 2014 and is anticipated to be approved by Council in February 2014.
- **Neighborhood Parking Protection Ordinance:** \$1,473,097 to implement the Neighborhood Parking Protection Ordinance, which amends the municipal code to prohibit the overnight parking of oversized, non-motorized, and recreational vehicles throughout the entire City of San Diego. Permits will be issued to residents or their guests to allow them to park oversized, non-motorized, and recreational vehicles on the street for up to 72 hours in order to prepare/unload the vehicles. Additional funding is required to implement and enforce the Neighborhood Parking Protection Ordinance; at the same time, additional revenue is expected from permitting fees and citation fines in the amount of \$2,826,667 that will offset the costs to implement the ordinance.
- **Prevailing Wage Ordinance:** \$608,904 to implement the expanded prevailing wage program approved by Council in 2013. The Prevailing Wage Program ensures that the City complies with federal labor wage laws for projects receiving federal funds and State prevailing wage laws for projects receiving State funds. Additionally, at the inception of the program, the City was required to be in compliance with the State's prevailing wage

laws on all water and/or sewer fund projects whose estimated construction costs exceed \$10.0 million. San Diego Municipal Code §22.3019 expanded the Prevailing Wage Program in July 2013 to apply the State's prevailing wage laws to all City projects that are "public works" within the meaning of the State prevailing wage law. The addition of expenditures and positions in the Purchasing & Contracting Department would support the additional workload resulting from the expansion of the program.

- **Property Value Protection Ordinance:** \$67,804 to increase compliance with the Property Value Protection Ordinance, which requires all lenders to register defaulted and foreclosed residential properties within the City of San Diego. The ordinance also requires code enforcement officials to track, inspect and monitor these properties so they do not fall into neglect and further lower property values. The addition of 1.00 Zoning Inspector 2 in the Development Services Department is needed to assist with the program. The addition of revenue is anticipated through fines levied for non-compliance.

One Time Costs:

Public Safety:

- **Police Equipment:** \$867,000 for equipment identified in the SDPD Five Year Plan, including 12 new police vehicles at a cost of \$732,000 and equipment for new recruits at a cost of \$135,000 for a total of \$867,000.
- **Police Retention Program:** \$2,000,000 for department recruitment and retention programs to be determined by the San Diego Police Department in cooperation with the San Diego Police Officers Association.
- **Relocation of Park and Rec Carpenter Garage from Lifeguard Headquarters:** An estimated \$200,000 to relocate the Park and Recreation Department's Carpenter Garage out of Lifeguard Headquarters at Quivira Basin in order to create a centralized location in Mission Bay for marine-related public safety operations involving Lifeguards, Coast Guard and Police.

Infrastructure:

- **Street Resurfacing:** \$3 million to resurface approximately six additional miles of streets identified in the street condition assessment survey as critical priorities for resurfacing.
- **Sidewalks:** \$2 million to construct sidewalks as determined by the sidewalk condition assessment to be the most critical for public safety.

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- **Streetlights:** \$1 million to install approximately 100 streetlights citywide in areas with the most urgent public safety needs for additional streetlights, as identified in the Street Division streetlight unfunded needs list. Street lighting can be an important tool in combating crime, as well as increasing safety for motorists and pedestrians. Considerable savings can be achieved by locating new lighting fixtures on existing poles, where available.
- **Ocean View Hills Park Acreage:** The Ocean View Hills community has three shovel-ready park projects that have a temporary funding gap totaling approximately \$11 million. Each project is under the Otay Mesa Facilities Benefit Assessment. Due to the fact they are FBA funded, the opportunity for reimbursement to the city for project costs in the future exists, decreasing the actual city cost of funding for these specific projects. Using existing funds to fill the funding gap to construct these parks would create approximately 24 acres of parkland in this area of the city and provide an immediate benefit to the community.
 - **Pacific Breezes Neighborhood Park:** This project constructs a 15 acre community park in Ocean View Hills that includes lighted softball fields, playground areas, comfort station, concession stand, storage, off-street parking, turf areas, picnic shelters, benches, drinking fountain and storm water detention areas. The project is permit-ready. Construction documents are complete and ready to go to bid.
 - Total Cost: \$16,450,000
 - Additional Funding Required: \$5,516,028
 - **Riviera Del Sol Neighborhood Park:** This project constructs a 4.9 acre neighborhood park in Ocean View Hills that includes turf areas, playground areas, a basketball court, benches, a drinking fountain, exercise stations and a storm water detention area.
 - Total Cost: \$6,400,000
 - Additional Funding Required: \$2,850,000
 - **Hidden Trails Neighborhood Park:** This project constructs a 3.9 acre neighborhood park in Ocean View Hills that includes multi-purpose courts, children's play areas, comfort station, turfed areas, picnic facilities, walkways, security lighting, landscaping and storm water detention areas. The consultant design for this project is currently in the process of being executed.
 - Total Cost: \$5,340,000
 - Additional Funding Required: \$2,920,000
- **Wightman Street Neighborhood Park, CIP S00767.** \$969,366 to build a new neighborhood park on an approximately one acre City-owned site at 5024 Wightman St. in the Fox Canyon community. This park is in a community that is severely park deficient. The park would provide a play area, basketball courts, picnic area, trails, landscaping, etc. The project would also provide creek enhancements to support

habitat on a tributary of Chollas Creek that flows through the site. The total additional funding requested for construction of the park is \$969,366. *(Note: the remainder of the \$3,186,000 needed for design and construction of the park has been/will be allocated from non-general fund sources)*

Community Services:

- **Citywide Tree Trimming:** During the FY13 Mid-Year Budget deliberations, the City Council appropriated \$300,000 to support citywide tree maintenance within the public right-of-way. Unfortunately, delays with contracting have occurred, and this service was not carried out. This service should be delivered in FY15.
- **Coastal Management Plan:** An estimated \$200,000 to hire expert consultants to develop a coastal management plan to address the proliferation of marine mammals and seabirds along the City's coast, particularly in La Jolla Cove.
- **Youth Services and Education-Related Development:** \$300,000 to support youth services and education-related development, including the Connect2Careers Hire-a-Youth Program and other programs. \$200,000 is to support the San Diego Workforce Partnership program that pairs young adults (ages 16 – 21) with local employers to provide paid summer jobs to participants. In addition, we would recommend that a Youth Advisor position be created in the FY15 budget to advise the Mayor and Council on youth related policy and practices and to assist in coordination with regional youth services.

Operational Needs:

- **Charter Review Committee:** approximately \$210,000 for the City Council to form a charter review committee to make recommendations on updates needed to bring the San Diego City Charter into the 21st Century. Over the past few years there have been various charter related issues that have arisen that indicate a need to revise and update the City Charter. As such, the City Council should form a Charter Review Committee to provide recommended changes to the Mayor and City Council. Some funding will be required to provide staffing to the committee, including \$160,000 for an IBA Fiscal and Policy Analyst (1.0 FTE) and approximately \$50,000 for a Committee Assistant in the Council Administration Department (0.5 FTE) for a total of approximately \$210,000.

Potential Revenue Sources:

In order to fund the proposed projects, programs, and services recommended above, we have identified the following areas in which additional revenue can be generated in order to offset our additional budget recommendations. While we recommend adjustments to several

Attachment B

revenue sources and the General Fund reserve, we acknowledge the importance of budget flexibility and maintaining a healthy reserve level of no less than 12% of the General Fund.

- **Increase to Property Tax Base:** \$1,000,000 can be generated by increasing the assumptions on the property tax revenue.
- **Adjust Property Tax Growth Rate from 3.5% to 4.0%:** \$1,500,000 can be generated by increasing the projected property tax growth rate from the conservative 3.5% projection to a 4.0% projection.
- **Additional Annual Property Tax Revenue from Redevelopment Property Tax Trust Fund (RPTTF):** Per the dissolution of California redevelopment agencies, the City receives additional property tax revenue from the RPTTF (formerly tax increment). In FY13, the actual residual distribution to the City was \$8,500,000. These distributions are anticipated to increase over time. We have included \$6,500,000 in our revenue projection.
- **Adjust Sales Tax Growth Rate from 4.5% to 5.0%:** \$1,500,000 can be generated by increasing the projected sales tax growth rate from the conservative 4.5% projection to 5.0%.
- **Reduced Workers' Compensation Reserve Contribution:** \$5,400,000 in savings to the General Fund can be generated if \$31,800,000 in revenue in excess of the 12% reserve level is placed in the workers' compensation reserve.

Please note that this memo serves as a starting point for discussion. Similar to the Five-Year Financial Outlook presented and analyzed last year by the Interim Mayor and by your office, we also anticipate a budget deficit in the coming year, although we are optimistic that our financial condition will improve as we near year-end. We look forward to receiving the mid-year financial reports and stand prepared to work to continue to find organizational efficiencies, streamline city processes, identify new savings from lease renegotiations, new corporate partnerships, and other efforts. We look forward to the collaborative work ahead to weigh the numerous competing priorities in order to deliver a balanced and responsible budget.

Thank you for your consideration of these budget priorities and options for revenue generation. See Attachment A for details.

FISCAL YEAR 2015

GENERAL FUND REVENUES	
Financial Management Baseline Budget	1,216.2
GENERAL FUND EXPENDITURES	
Financial Management Baseline Budget	1,235.3
SURPLUS/(DEFICIT)	(19.1)
RECOMMENDED REVISIONS TO GENERAL FUND BASELINE REVENUES	
<u>Ongoing Sources:</u>	
Enterprise Zone Dissolution Revenue Reduction	(0.4)
Neighborhood Parking Protection Ordinance	2.8
Property Value Protection Ordinance	0.1
DMV/Collection Referral Fee Increase	0.3
Increase to Property Tax Base	1.0
Adjust Property Tax Growth Rate from 3.5% to 4.0%	1.5
Additional Annual Property Tax Revenue from RPTTF	6.5
Adjust Sales Tax Growth Rate from 4.5% to 5.0%	1.5
Reduced Workers' Comp Reserve Contribution*	5.4
Savings from Actuarially Determined Contribution (ADC)	12.0
Use of TOT Fund Balance	4.6
TOTAL	35.3
REVISED GENERAL FUND BASELINE REVENUE	1,251.5

*Revenue in excess of 12% reserve level (\$31.8M) is placed in Workers' Comp Reserve

RECOMMENDED REVISIONS TO GENERAL FUND BASELINE EXPENDITURES	
<u>Additions to FM Baseline:</u>	
Storm Water Compliance O&M ¹	9.9
Storm Water Compliance Debt Service ²	1.0
Natural Resources Management Plans	0.1
Federal Mandates	11.0
Mobile Home Park Code Enforcement	0.1
State Mandates	0.1
TOTAL ADDITIONS TO BASELINE	11.1
REVISED GENERAL FUND BASELINE EXPENDITURES	1,246.4
REVISED SURPLUS/(DEFICIT)	5.1

¹ Includes CLRP and flood risk management activities, related to M&R, and code compliance officer in DSD

² Estimated debt service for planned/authorized Deferred Capital Bond funding for CIP needs as outlined in Enhanced Option B only. Does not address unfunded CIP needs.

NON-DISCRETIONARY GENERAL FUND EXPENDITURES (ONGOING)	
<u>Public Safety and Infrastructure:</u>	
Implementation of Police Five-Year Plan	2.3
Implementation of City Gate	3.6
Interim Skyline Hills Fire Station	2.7
Lifeguard Five-Year Plan (Boating Safety Unit)	0.6
Regional Park Ranger Program: Coastal Beaches and Chollas Lake	0.2
Brush Management	0.9
	10.2
<u>City Commitments:</u>	
Prevailing Wage Compliance	0.6
Neighborhood Parking Protection Ordinance	1.5
Property Value Protection Ordinance	0.1
Climate Action Plan Staffing and Implementation	0.1
	2.3
<u>Operational Needs:</u>	
Improvement of Government Operations Plan	0.7
Information Technology	0.3
City Clerk	0.2
Chief Data Officer/Open Data Program	0.1
	1.3
<u>Community Services:</u>	
Increase to Library Hours	1.7
Park and Recreation New Facilities	0.6
La Jolla Cove Clean-up	0.1
	2.4
TOTAL PRIORITY SERVICES/PROGRAMS OPERATING EXPENDITURES (ONGOING)	16.2
NON-DISCRETIONARY GENERAL FUND EXPENDITURES (ONE-TIME)	
<u>Public Safety and Infrastructure:</u>	
Critical Police Equipment	0.9
Police Recruitment and Retention Program	2.0
Relocation of Park and Recreation Carpenter Garage from Lifeguard Headquarters	0.2
Street Resurfacing	3.0
Sidewalks	2.0
Streetlights	1.0
Ocean View Hills Park Acreage General Fund Advance of FBA	11.0
Wightman Street Neighborhood Park	1.0
	21.0
<u>Operational Needs:</u>	
Charter Review Committee Support	0.2
	0.2
<u>Community Services:</u>	
Coastal Management Plan	0.2
Youth Services and Education-Related Development	0.3
Citywide Tree Trimming	0.3
	0.8
TOTAL PRIORITY SERVICES/PROGRAMS OPERATING EXPENDITURES (ONE-TIME)	22.0
TOTAL PRIORITY SERVICES/PROGRAMS OPERATING EXPENDITURES	38.2
REVISED SURPLUS/(DEFICIT)	(33.1)



**COUNCILMEMBER KEVIN L. FAULCONER
CITY OF SAN DIEGO
SECOND DISTRICT**

M E M O R A N D U M

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Kevin L. Faulconer
SUBJECT: Fiscal Year 2015 Budget Priorities

Thank you for the opportunity to provide my 2015 budget priorities which continue to reflect the greatest needs of our neighborhoods. San Diego must invest in repairing its crumbling streets, sidewalks, and community infrastructure while continuing to make public safety a top priority to protect our neighborhoods and quality of life.

I remain committed to the financial reforms such as managed competition that have put San Diego back on sound financial ground and will continue to create the financial savings necessary to pay for the restoration of these vital neighborhood services. As San Diego continues to emerge from the economic troubles of the past decade, it is even more critical that the City reaffirms its commitment to the financial reforms that have allowed for steady restoration of neighborhood services and will ensure a sustainable path forward.

Eliminating Waste and Identifying Efficiencies through Managed Competition

Managed competition was overwhelmingly approved by voters in 2006 and is a proven method for identifying departmental efficiencies that save taxpayers millions of dollars that can be reinvested into vital neighborhood services. To recognize additional savings, it is imperative to prevent any further delays in the implementation of this critical program.

Andrea Tevlin, Independent Budget Analyst
January 17, 2014
Page 2

Repairing Streets and Neighborhood Infrastructure

As financial crises and unsustainable pension benefits took tax dollars away from San Diego communities, the City of San Diego developed a backlog of neighborhood repairs estimated to be as high as \$3 billion. The City Council must continue to make infrastructure repair a top priority.

- **General Fund Asset Management Coordinator**

Historically the City did not adequately maintain infrastructure assets and delayed critical maintenance. Different asset owning departments did not coordinate, and the City did not effectively maximize scarce resources. Delaying maintenance for extended periods of time can lead to more expensive emergency repairs. To ensure the City is properly maintaining all of its infrastructure assets cost effectively and to increase accountability and coordination, it is imperative to create a position that has oversight over the City's entire General Fund infrastructure inventory.

- **Fund Street and Facility Needs Assessments**

Critical needs assessments are essential to understanding the depth and complexity of the City's infrastructure needs and better plan for the future. The City needs up-to-date facilities and street condition assessments.

- **Invest in Critical Maintenance and Repair**

To prevent further deterioration in the City's assets, the City must increase its investment in maintenance and repair consistent with the City Council approved five year spending plan, plus additional resources for facility maintenance to bring funding levels closer to recognized best practices.

Rebuild the San Diego Police Department

The dire recruitment and retention challenges faced by the San Diego Police Department highlight the immediate need for increased investment in the City's policing function. The department is struggling to retain officers and currently needs additional sworn and civilian personnel to meet appropriate staffing levels and after years of service reductions in the department, it is critical to prioritize opportunities discussed in the department's five-year plan to enhance operations and officer retention.

Reduce Emergency Response Times

The City is not consistently meeting its emergency response time goals. In 2011, the City hired an independent consultant, Citygate, to analyze Fire-Rescue staffing and response times. The

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Citygate report provided important insight to reduce emergency response times so that San Diegans have greater confidence that emergency crews will arrive in the required time. To ensure progress is made to reduce emergency response times, I support funding a temporary fire station in Skyline and providing the funds necessary to staff the Eastside Mission Valley Fire Station and Home Avenue Fire Station. I believe the Fire-Rescue Department should pursue the implementation of a fast response squad pilot program to further improve emergency response times.

Enhance Government Transparency and Efficiency with Technology

There is a great opportunity for the City of San Diego to enhance public access while improving the City's ability to make informed decisions that maximize scarce resources. The City is years behind in its ability to apply technology which inhibits economic growth in the private sector, limits effective resource management at the City as well as the accessibility of information and data available to the public.

- **Chief Data Officer**

A Chief Data Officer would allow the City to more effectively incorporate objective data and information into its decision making to better utilize taxpayer funds. The Chief Data Officer could examine the relationship between functioning street lights and crime rates, enhancing the City's ability to make complex connections. Increased awareness would allow the City to more effectively spend taxpayer dollars. Additionally, the Chief Data Officer would enable the City to enhance public access and transparency by more effectively communicating data. For example, the City currently funds street repair through multiple sources, but there is no central location that contains all of the funding available for street repair. The Chief Data Officer would increase the City's ability to effectively compile and communicate information so the public can easily access and digest this information.

- **Revamp the City's Website**

The City's website is challenging to navigate and has not kept up with changing technology. It is critical that the City invests in the initial process to revamp its website to improve online permitting, availability of City data and information, and enhanced mobile application functions to more effectively communicate with the public.

I look forward to working with my colleagues to achieve these goals and continue to keep our City on stable financial ground.

KLF:kj



**OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: January 17, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Council President Todd Gloria, Third Council District *Todd Gloria*

SUBJECT: Council District Three Budget Priorities for Fiscal Year 2015

The following items are my priorities for the FY 2015 City budget. I offer these recommendations with fiscal constraint in mind as we continue to maintain and protect core City services, while developing long term solutions to address our financial obligations and strengthen the City's fiscal integrity. I further offer these recommendations while advocating for continued reforms that will result in efficiencies, improved quality of life, taxpayer savings, and economic growth. These budget priorities are in line with my priorities established in past years, which champion Public Safety, Neighborhood Services, Job Creation/Economic Development, Homeless Prevention, and Responsible Governance.

FY 2015 BUDGET PRIORITIES

PUBLIC SAFETY: POLICE, FIRE-RESCUE, INFRASTRUCTURE, CODE COMPLIANCE, ETC.

Public safety must always be the City's top priority. I support a budget with increased investments in our public safety professionals who perform tremendous services daily. I further support a budget with a focus on long-term investments to address the City's deteriorating infrastructure, which continues to be our greatest challenge.

- **Police.** The Police Department's Five-Year Plan (FY 2014 – FY 2018) was approved by City Council on November 5, 2013 as a framework to begin the process of rebuilding the Department in the areas most impacted by past budget reductions. The plan includes \$66 million of both personnel and equipment needs over five years, including 142 sworn positions and 96 civilian positions. Our public safety plans are the most important of the City's multi-year needs assessments. However, given the projected deficit in next year's budget, difficult decisions must be made and incremental progress toward the goals laid out in this plan will necessary. Though full implementation is likely fiscally unfeasible in five years, I support a budget which incrementally adds sworn and civilian positions each year, making progress toward these targets. It is critical that any new positions added are also supported with correlating funding levels for new recruit equipment and vehicles.

Additionally, annual maintenance costs to support the replacement of the Computer Aided Dispatch (CAD) system will be necessary beginning in FY 16. I support the inclusion of these essential costs in future year's budgets.

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- **Fire-Rescue.** We have learned painful lessons from the tragic wildfires and the decommissioning of fire engines and must invest as much as we can in fire prevention and fighting resources. In particular, new fire stations are necessary to reduce delays and service deficiencies in response to fire emergencies in the City. I support the construction of the three new fire stations identified for funding in the Deferred Capital Bond Three. Additional funding for personnel and non-personnel operating expenditures will be necessary to support these new facilities. I support a budget that includes these additional operating expenses, estimated at \$3,621,637 in FY 15.
- **Infrastructure.** Improving the city's infrastructure will continue to be one of my top priorities in FY 15. San Diegans are tired of driving over potholes and tripping over sidewalks, and smooth roads and reliable sewer and water pipelines are critical public safety issues. The Council's passage of Deferred Capital Bond Three is another step in the right direction, and I continue to support our long-term deferred capital projects bond program. I urge the public to provide input on what infrastructure improvements make sense for San Diego through our ongoing community workshops as we develop the City's first Multi-Year Infrastructure Plan. The City's sidewalk assessment, now underway, will also provide an unprecedented evaluation of the conditions we are facing. These condition assessments provide thorough and cost-effective analyses of building and other infrastructure conditions, assist in prioritizing projects, and help us to develop funding plans for all infrastructure needs. I support the continued allocation of one-time resources to perform condition assessments.

These focused investments and systemic reform will take us one step closer to achieving a sustainable capital infrastructure and maintenance program so that the City no longer falls behind in caring for its assets. Councilmember Kersey has done an excellent job leading this charge through his Chairmanship of the Infrastructure Committee. I look forward to continuing to work with and support him in this role. To remain economically competitive, we must also continue to work together to develop a comprehensive long term solution for how we will pay for the remaining infrastructure upgrades. I look forward to working with my Council colleagues on this agenda in the year ahead.

- **Neighborhood Code Compliance.** The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, noise, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. For too long, the staffing levels in the Division have been dismal and enforcement priorities have been adjusted downward to keep pace, particularly in enforcing conditional use permits. I ask that the resource capacity of the department be analyzed and considered for additional funding in FY 15. I also recommend that staff reestablish a working group to update noise regulations in urban areas, which continues to be an issue in my District.

NEIGHBORHOOD SERVICES: LIBRARIES, PARKS AND RECREATION, ETC.

The coming year's budget must prioritize critical services that are key to quality of life, especially in older, urban areas of the City. The public has indicated they will no longer accept reduced levels of neighborhood services. The FY 15 budget should seek to restore and improve the current levels of these critical community services to citizens, and there should be absolutely be no reduction of hours or personnel at parks and recreation centers or libraries.

- **Libraries.** It is clear that the public highly values these facilities. I would support a budget that increases Central Library operating hours by three, bringing the total to 52 hours per week, and increases Branch Library operating hours by four, to reach a core library schedule of 48 hours per week. This includes an additional \$1,707,941 in personnel expenses per year. Service levels at libraries can also be improved by filling vacancies in a timely manner. Finally, I recommend funding for additional electronic resources.

- **Parks and Recreation Centers.** There are numerous community benefits created by parks and recreation centers. They make communities desirable places to live, work, play, and visit, thereby contributing to the ongoing economic vitality of communities throughout our country. The programming promotes healthy lifestyles, deters crime, and helps our youth develop into contributing members of our communities; and the greenways and open spaces are critical components to protecting and preserving our natural environment. For these reasons, I would support a budget that increased operating hours at the City's recreation centers. Service levels at recreation centers can also be enhanced by immediately filling vacancies. I request that the department be fully staffed and resourced at its budgeted levels in FY 15.
- **Urban Forestry Program/Citywide Tree Maintenance.** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District. Recommendations for a Citywide Urban Forestry Program and funding for uniform maintenance of trees on public property should be included in the FY 15 budget. This includes an Urban Forestry Coordinator position, requiring about \$150,000 in personnel and related non-personnel expenses, and an additional \$100,000 for Citywide tree maintenance.

JOB CREATION AND ECONOMIC DEVELOPMENT: REDEVELOPMENT, LAND USE, AFFORDABLE HOUSING

- **Redevelopment and Civic San Diego.** The City continues to face fiscal challenges as a result of the dissolution and unwinding of the City's Redevelopment Agency, and the City has lost a dedicated funding source for neighborhood investment, blight removal, and revitalization. I encourage the City Council to approve the corresponding amendment to the Civic San Diego Consulting agreement, which will allow them to continue the work of the former Redevelopment Agency, expand economic development opportunities throughout the City, and support future applications for Federal New Market Tax Credits and other innovative financing sources. I also encourage granting Civic San Diego additional one-time resources for long range planning and community outreach, as well as \$75,000 for an adaptive reuse study for the old library to ensure that we bring this building back to a useful life for the community and re-activate the block.
- **Community Plan Updates.** I would support a budget that recommends continued funding for the updating of community plans. These plans serve as community-specific "Land Use Constitutions" and establish the vision for long-term growth. As we continue to grapple with the elimination of redevelopment agencies, this is a wise investment to keep these plans updated in order to attract investment and appropriate infrastructure and development to our neighborhoods. Specifically, this includes the addition of \$2,786,243 in contractual expenditures to fund the completion of the Uptown, North Park, Golden Hill, and Otay Mesa Community Plan Updates and Grantville Community Plan Amendment; the continuation of the Mission Valley update; and initiation of the next plan updates.
- **Public Facilities Financing Plans.** The City's Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration in advance of the release of the FY 15 budget. For example, the Mid-City PFFP update was completed approximately four years ago. The City adopted the FY 2010 budget without first adopting the new PFFP, and we adopted the FY 14 budget also without benefit of the new PFFP. I am pleased that progress is now underway to update the Mid City PFFP, and this update is expected to come to Council in the coming months. Approval of these plan updates could result in additional revenue for the Facilities Financing Division and also increase their reimbursement of administrative expenses from Development Impact Fees.
- **Affordable Housing/Infrastructure Financing Districts/Special Assessment Districts.** With the State's elimination of redevelopment, it is necessary now, more than ever, to continue to

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explore new, additional or enhanced sources of funding for the preservation and development of affordable housing and neighborhood infrastructure. I applaud the Council's approval of the Workforce Housing Offset update this past December. Governor Brown's Proposed FY 15 Budget proposes expanding Infrastructure Financing Districts (IFDs) as a potential source of funding for affordable housing. Similar to former redevelopment law, IFDs use tax increment financing to fund neighborhood infrastructure, facilities, and transportation projects. The City should fund an adequate level of resources to assist individual neighborhoods in the formation of IFDs and special assessment districts, and position San Diego to leverage the potential expansion of this program.

HOMELESS PREVENTION

A year ago, I set the goal of ending homelessness in Downtown by the end of 2016. In addition to the direct benefit of helping individuals break the cycle of homelessness, investing in solutions has positive impacts for the City and saves taxpayer dollars. Without these critical homeless programs and services, we will continue to see an increase in the need for law enforcement, emergency services, and Neighborhood Code Compliance activities.

Consistent with the Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Services, funding for the Neil Good Day Center, the Veterans Shelter Program, Cortez Hill Family Center and the annual contribution to PATH Connections Housing should continue through the CDBG Program in an amount not to exceed \$1,318,078. Note that these discretionary funds no longer fund the Single Adult Emergency Shelter.

The FY 14 Budget committed an additional \$1.9 million from the General Fund to extend operations of both winter shelter programs. I recommend allocating the same level of General Funds for homeless services in the FY 15 budget, but directing these funds toward outcomes-focused services and critical program enhancements that result in the most effective use of our resources and a coordinated system to help end homelessness. I recommend that this FY 15 \$1.9 million allocation include:

- **Enhanced Single Adult Winter Shelter and Veterans Winter Shelter.** An investment of \$800,000 for an enhanced winter shelter program would enable shelter operators to improve the assessment and case management services offered and partner closely with the existing integrated homeless outreach efforts, increasing opportunities for homeless San Diegans residing at the shelters to be placed in more stable and permanent housing so we can end the cycle of homelessness for many neighbors while the shelters are open. Anticipated outcomes from this investment should be tracked and evaluated throughout the year to ensure its success. This allocation would fully fund an enhanced Single Adult Winter Shelter, which does not have any funding currently identified, and augment CDBG funding for the Veterans Winter Shelter, from November through March 31st during the coldest and wettest months of the year.
- **Homeless Management Information System (HMIS).** A one-time investment of \$400,000 would provide funding to support the Regional Continuum of Care's creation of a coordinated intake and assessment system, applicable to all organizations throughout the City and region and addressing the needs of our critical homeless housing and services programs. This is currently an unfunded federal mandate, and is a critical step in delivering coordinated and efficient services to homeless individuals, and identifying what our needs are and where to spend our limited resources. Furthermore, investing in this system is essential to bringing nearly \$16 million in federal funds from the U.S. Department of Housing and Urban Development to the City and County of San Diego every year for homeless programs and services. Because the HMIS serves the entire San Diego region, the City should also approach the County of San Diego for matching investment funds.

- **Serial Inebriate Program (SIP) Expansion.** Established in January 2000, SIP has positively impacted hundreds of chronic, homeless alcoholics who cycle in and out of detoxification centers, county jail, and local emergency rooms. By providing intensive case management and access to housing, clients are able to improve their well-being and achieve long-term recovery. Since 2007, SIP's budget has been cut 34 percent, or \$27,295, inhibiting its ability to operate at full capacity. At the same time, the economic recovery in the housing market is causing rents to increase thereby shortening the lifespan of the housing subsidies provided to SIP clients. An allocation of \$120,000 would restore SIP to its pre-reduction funding levels and nearly triple the number of individuals capable of being served, making an additional 20 units/beds available for SIP participants (raising the total SIP supported units/bed to 32).
- **Neil Good Day Center Service Enhancement.** Currently, the Neil Good Day Center provides homeless individuals access to showers, mail services, computers, medical care and case management. In addition, the Neil Good Day Center serves as a point-of-entry to San Diego's full array of homeless services. An additional \$80,000 would enhance the services that the Neil Good Day Center offers, including targeted case management that increases opportunities to connect homeless
- **Homeless Outreach Team Enhancement.** An allocation of \$40,000 to link the San Diego Police Department's Homeless Outreach Team's (HOT) efforts with local housing and service providers would enhance the street outreach and engagement services that HOT currently provides to homeless individuals. With this additional funding, each HOT rotation would include alternating members of the provider community. Together, the combined knowledge of police officers assigned to HOT and service providers would be a great asset for engaging homeless individuals and linking them with appropriate resources. SDHC would work with participating providers to set aside housing inventories for eligible homeless individuals encountered by HOT officers while they are on patrol.
- **Homeless Transitional Storage Facility.** Currently operated by Girls Think Tank, this storage facility provides a place for 350 homeless families and individuals to safely store their personal belongings. For the previous two years, the facility has been sustained with private contributions and funds allocated by the City Council. During this time, Girls Think Tank has worked diligently to locate a permanent home for the facility but has been unsuccessful. With the generous help of community partners such as Father Joe's Villages, the facility has been operating free-of-charge in a downtown San Diego parking lot. This is neither an ideal nor a permanent solution. Allocating \$150,000 per year would fully fund the facility's annual operating budget, including relocation funds to rent interior property.
- **Connections Housing Downtown Gap Funding.** In its first year in operation, Connections Housing Downtown has become an essential component of the City of San Diego's homeless services. More than 500 homeless individuals have been positively impacted since the center's grand opening in March 2013. After recognizing the higher level of services the building's residents required, the intensive services budget was implemented immediately, resulting in a budget gap of \$400,000. A commitment of \$300,000 per year will help ensure PATH's continued success and provision of essential services, and development partners will continue to pursue private fundraising and public grants to fill the remaining gap in operating funds.

RESPONSIBLE GOVERNANCE

- **City Reserve Policy.** This year, the Budget & Government Efficiency Committee will consider an update to the Reserve Policy for the City, reexamining goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals for providing "rainy day" protection for the City. In particular, this update

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will also lay out a process for the utilization of reserve funds when a level is reached in excess of our established goals.

- **General Fund User Fee Policy.** In 2009, the City Council adopted a comprehensive General Fund User Fee Policy to assist with determining the appropriate level of user fees for services and related cost-recovery revenues. The Policy was intended to require a fee review and adjustment process as part of the City's annual budget process. I urge the incoming Mayor to adhere to this practice. Annual inflationary or other technical adjustments to fees should be considered each year as part of the budget process. The City must achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees.
- **Compliance with Mandates, Best Practices and Policies.** This year, the City has continued to find it is unable to meet its responsibilities to monitor, audit, and review its activities and programs due to a lack of sufficient staffing. We must provide sufficient funds for staffing for such activities as program compliance, maintaining prudent internal controls on financial transactions, ensuring equal opportunity in our contracting program, and complying with the requirements of state and federally funded programs.

In particular, since inception, the **Living Wage Ordinance (LWO) Program** has not been optimally staffed, and efficient administration of the proposed program amendment requires expanded monitoring. Adequate staffing for the LWO Program should include addition of a Program Manager and a Senior Management Analyst at a fully loaded cost of \$230,000. Some cost recovery may be achieved through assessment and collection of fines for violations, however, such monies must be deposited in the General Fund and cannot provide direct support for LWO Program staffing.

- **Transparency, Reform, and Efficiencies.** The incoming Mayor and City Council must continue to examine departments for greater efficiency and innovation. Examples include the continued streamlining of Capital Improvements Program to complete projects at a quicker pace, diversify the workforce and increase City staff capacity, the implementation of Labor Management Committees and Business Process Reengineering to achieve immediate efficiencies and taxpayer savings. I also support and encourage efforts to make the City's website more business and user friendly.
- **Fill Existing, Already Budgeted Vacancies.** We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. For the first time, the FY 2014 First Quarter Budget Monitoring Report provided a list of current vacant budgeted positions for General Fund Departments and non-general funds. The City must aggressively fill these identified vacancies and find efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels. Proper staffing will result in higher quality service delivery and overall performance.
- **Five-Year Financial Outlook.** The additional detail that was made available in this year's Five-Year Financial Outlook has allowed this Council to better assert its role and encouraged increased public input in the budget process. The report is much more user friendly, comprehensive, and transparent, in an effort to assist us in making the educated spending decisions necessary for implementing a balanced budget. I encourage this same level of detail to be included in the Outlook in future years, and support the continued enhancement of this document as a tool for long-term fiscal planning.

OTHER ISSUES FOR CONSIDERATION

- **2015 Balboa Park Centennial.** In previous years, Transient Occupancy Tax funding in the amount of \$150,000 has been identified to assist in the planning effort for the 2015 Centennial Celebration in Balboa Park. At a minimum, the same level of funding should be included in FY 15

and FY 16 for the planning and implementation of this celebration, in addition to any remaining unused funds from FY 14. The funds should be deposited into the Major Events Revolving Fund so that it may be used to cover permitting costs and other City expenses for the Celebration.

- **Climate Action Plan.** The City is currently in the process of updating our Climate Action Plan with new goals, strategies and actions that put us on the path of achieving carbon neutrality and preparing for the impacts of a changing climate. In order to begin our implementation measures for climate protection, we need Citywide coordination, cross-functioning and planning among City departments, as well as our regional and community partners. Based on current staff analysis, at least 3 full-time equivalent (FTE) staffers (Climate Protection and Preparedness Coordinators/Policy Advisors) will be necessary over the next two years to steer this initiative forward and prepare our annual monitoring reports to track our success. This includes the addition of one Program Manager in the Office of the Mayor in FY 15 at a fully loaded cost of \$122,210 per year, and the addition of one Associate Planner and one Associate Management Analyst in the Environmental Services Department in FY 16 at a combined fully loaded cost of \$188,157 per year.
- **Purchasing and Contracting Department Staffing and Resources.** The Purchasing and Contracting Department interacts as a customer service department to the City and vendors. The department ensures the competitive process is utilized for best price and highest quality while conforming to purchasing regulations. The Department must be properly staffed and resourced in the FY 15 budget so it may provide for efficient and orderly administration of all purchasing and contracting activities. In addition, I encourage the Department's ongoing efforts to find efficiencies within existing operations and look forward to monitoring this progress at the Budget & Government Efficiency Committee in 2014.
- **Encourage Corporate Sponsorships and Public-Private Partnerships.** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These Partnerships are sure to benefit our taxpayers and strengthen our General Fund.

In addition to Council District Three Budget Priorities, I support the Deferred Capital Bond Three project list approved by City Council. I have attached my [Project Recommendations for Deferred Capital Bond Three](#). For projects not included in this round of bond financing, I offer these recommendations for priority in the CIP budget and future financing opportunities, as well as the Starlight Bowl, which is in critical need of repair and rehabilitation. These projects would provide improvements for the neighborhoods I represent.

Thank you for your guidance in consolidating our priorities. This process will once again ensure that Council asserts its role early on, resulting in a more collaborative, better informed and more effective budget process. I look forward to working with you, the management team, and our neighbors to develop a balanced budget for Fiscal Year 2015, and I urge us all to consider these critical issues as we consider policy commitments throughout the year.

TG:jl

Attachments:

1. Project Recommendations for Deferred Capital Bond Three;
<http://www.sandiego.gov/citycouncil/cd3/pdf/news/2013/memo130517.pdf>



OFFICE OF COUNCIL PRESIDENT TODD GLORIA COUNCIL DISTRICT THREE

MEMORANDUM

DATE: May 17, 2013

TO: Tony Heinrichs, Director, Public Works Department
James Nagelvoort, Assistant Director, Public Works Department

FROM: Council President Todd Gloria *Todd Gloria*

SUBJECT: Project Recommendations for Deferred Capital Bond Number Three

In response to your memo dated April 25, 2013, I am urging your consideration of the following Council District Three projects for inclusion in Deferred Capital Bond Number Three. I am including some projects which have received previous funding and some new projects that fit the intent of the Deferred Capital Bond program. These projects would provide much-needed improvements for the neighborhoods I represent.

Balboa Park

- **Municipal Gym:** roof repair, mold remediation, and rehabilitation
- **Balboa Park Chess Club:** roof repair

Bankers Hill

- **First, Fourth, Fifth, and Sixth Avenue:** pedestrian and streetscape improvements

Downtown

- **Neil Good Day Center:** rehabilitation, renovation and upgrades

Golden Hill/South Park

- **25th Street Renaissance Project:** complete construction of pedestrian amenities, traffic calming, streetscape improvements, and parking along 25th Street from Highway 94 to Balboa Park. The focus of the improvements is between E Street and B Street.
- **Greater Golden Hill Community Park:** restoration of fountain
- **Juniper Street:** complete construction of a new sidewalk along the north side of Juniper Street between Fenton Street and Westland Avenue, remove and replace guardrails, and add three retaining walls

Hillcrest and Marston Hills

- **Fire Station No. 05:** existing fire station will be demolished and replaced by a new, modern fire station.
- **Richmond Street:** pedestrian/sidewalk improvements on Richmond Ave, between Myrtle, Brookes, and Pennsylvania Avenues and crossing the canyons.

Mission Hills

- **Mission Hills/Hillcrest Library:** complete design and new construction
- **Pioneer Park:** restroom renovation
- **Pioneer Park and Grant Elementary School Joint Use Field with Multi-Purpose Gym:** need design and construction funding

North Park

- **North Park Recreation Center:** upgrades to facilities gym floor, roof, tennis courts
- **El Cajon Boulevard Streetscape Improvements:** streetscape improvements, including the installation of street lights and replacement of sidewalks, curbs, and gutters along El Cajon Boulevard
- **McKinley Elementary School Joint Use Improvements:** design and construction of approximately 1.2 acres of joint-use facilities at McKinley Elementary School, including natural or synthetic turf multi-purpose sportsfields, multi-purpose courts, walkways, landscaping, and Americans with Disabilities Act (ADA) accessibility upgrades
- **Switzer Canyon Bridge Enhancement Program:** bridge landscaping, hardscape, tree planting, signage, sidewalk, median, design of traffic calming devices, and pedestrian safety features for the Switzer Canyon/30th Street Bridge
- **University Ave Pipeline Replacement:** replacement of 23,072 linear feet of the existing cast iron University Avenue Pipeline with a new 16-inch distribution line along the entire alignment of the pipeline
- **Georgia Street Bridge:** complete rehabilitation

Normal Heights

- **El Cajon Boulevard Streetscape Improvements:** (see description above)
- **Ward Canyon Park/Normal Heights Community Park:** expansion of the current five-acre park site to an approximately six-acre site to provide the community with additional recreational opportunities as well as enhance the visual quality in an area that is park deficient

Old Town

- **Junípero Serra Museum in Presidio Park:** renovation and upgrades

University Heights

- **1600 Adams Avenue** (nearest cross street is Mission Cliffs): repair of failed storm drain

In addition to the projects listed above, I offer my continued support for a Citywide Asset Management Program and a multi-year Capital Improvements Program. These efforts will assist in prioritizing projects that address the true needs of our neighborhoods. Most importantly, the data will assist in the development of future budgets and investments and will address community parity and equity issues.

Thank you for your consideration of this request. Any questions regarding this memo may be directed to Pamela Ison of my staff, pison@sanidiego.gov or x67787.

TG:pi

cc: Mayor Bob Filner
 Andrea Tevlin, Independent Budget Analyst
 Scott Chadwick, Acting Chief Operating Officer
 Nelson Hernandez, Assistant Chief Operating Officer
 Francisco Estrada, Mayor's Office



City of San Diego

MARK KERSEY

CITY COUNCILMAN, FIFTH DISTRICT

MEMORANDUM

DATE: January 17, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilman Mark Kersey

RE: Fiscal Year 2015 Budget Priorities

This memorandum is in response to Council President Gloria's January 6, 2014 memorandum requesting Councilmember input in the development of the Fiscal Year 2015 budget. As the economy improves and the City recovers from one of the most devastating economic times in memory, it is important to focus on restoring services to neighborhoods and making government more accessible to residents while exercising fiscal prudence. With property values increasing and sales tax revenue trending upward, we have the potential to provide additional services to residents. To the extent that the City identifies additional revenues to pay for service restoration and enhancements, I respectfully submit the following Fiscal Year 2015 budget priorities for consideration.

Identify and Implement Government Efficiency Measures. With the new operational structure in place, it is an ideal time to conduct a comprehensive review of city processes and identify cost-saving measures through employee-inspired efficiencies and managed competition. Reviewing and updating the strategic plan and performance measures will keep the City accountable.

Increase City Reserve Levels. The City's current reserve policy requires 8% reserve levels. Years of prudent saving and careful planning have resulted in a projected year-end reserve of 14.2% and recent credit rating upgrade. To keep costs low for the infrastructure investment program, the City Council should review the existing reserve policy and increase minimum funding requirements.

Maintain Infrastructure and Continue the Condition Assessment Program. (\$13,760,000)

One of the largest issues the City is facing is the deteriorating infrastructure. This Council has worked together to make progress in addressing the growing backlog of needs. The City must continue to conduct condition assessments and increase maintenance and repair funding. The following priorities should be considered for funding:

- Facility condition assessments (\$1,000,000)
- Streets condition assessment update (\$560,000)
- Park and Recreation condition assessments
- Street and storm drain maintenance consistent with the Enhanced Option B funding plan (\$5,900,000)
- Facility maintenance and repairs, including \$750,000 for Police Department asset maintenance, to be consistent with national standards and the San Diego Police Department Five-Year Plan (\$6,300,000)

Increase Walkability of San Diego Neighborhoods. The City is in the process of conducting its first citywide sidewalk condition assessment. It is anticipated to identify many previously unreported sidewalk hazards. The City allocates \$400,000 each year for temporary sidewalk repairs, of which \$100,000 goes toward the 50/50 program, which assists homeowners with the cost of sidewalk repairs. Increasing funding for the 50/50 program and the cost of material for addressing immediate hazards will make our neighborhoods more walkable and help limit potential future liabilities.

Accelerate Delivery of Infrastructure Projects. The most recent performance audit of the Department of Public Works (DPW) found the department does not have sufficient capacity to service client departments and improve coordination and functionality of the Capital Improvement Program process. Subsequently, the Independent Budget Analyst noted that if the Department takes on too much work that projects could not be completed expediently. Under this Council's leadership, the city is moving forward with multiple large construction projects which will further strain department resources. Increasing DPW staff will assist in delivering projects on time, restoring citizens' trust in the City. These positions are cost recoverable through the capital improvement projects being processed.

Fill Sworn Police Officer Vacancies. (\$7,175,915) The San Diego Police Department (SDPD) is facing challenges with recruitment and retention of officers. While the Council works to identify strategies to improve retention rates, four additional police academies would train enough recruits to fill 140 vacant sworn positions within the SDPD. Continued commitment to holding police academies will help bridge the gap between existing and necessary staffing levels. This is a key component of the SDPD Five-Year Plan, which should also be considered by Council.

Improve Fire-Rescue Department Response Times. (\$2,104,191) The most recent performance indicators have shown that the City is only meeting national standards for Fire-Rescue response times 69% of the time. Failure to meet national standards could result in significant damage to life and property.

One way to improve response times is to reduce reliance on cross-staffing. Cross-staffing is the practice of utilizing one four-person crew to staff both a fire engine and a specialty vehicle. When a specialty call comes in, the cross-staffed fire engine is unstaffed and unavailable for calls

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until the specialty call is completed. The Fire-Rescue Department currently employs cross-staffing for the Hazardous Materials (HazMat) Unit. Because of cross-staffing, each HazMat Unit call takes an engine at Fire Station 44 in Mira Mesa out of service for an average of 61 minutes. Left without adequate protection, the responsibility of responding to emergency incidents within Fire Station 44's coverage area falls to surrounding communities' fire stations. Insufficient coverage leads to longer response times and overall reduced services to residents. \$1,214,656 million would eliminate cross-staffing in the HazMat Unit of the Fire-Rescue Department.

Another method to improve response times is to implement a Fast Response Squad pilot program. In 2011 the City hired an outside consultant firm, Citygate, to analyze Fire-Rescue staffing, deployment models, and response times. The Citygate working group recommended a Fast Response Squad pilot program, with recent cost estimates at \$889,535. Fire Station 33 in Rancho Bernardo, with the largest coverage area of any fire station in the city, currently serves the San Pasqual Valley. Because of the need to respond to medical calls at the San Diego Zoo Safari Park and unusually large coverage area of Fire Station 33, San Pasqual is an ideal location to begin implementation of this innovative service delivery model and evaluate its impact on response times. The combination of eliminating cross-staffing of the HazMat Unit and launching the Fast Response Squad pilot program should improve fire and medical service response times by reducing inter-station dependency.

Restore Dedicated Lifeguard Headquarters. The City owns a property at Quivira Court that originally served as the Lifeguard Headquarters. The property is now jointly occupied by the Lifeguard Division and the Park and Recreation Department. The Park and Recreation Department uses a large portion of the property for carpentry, which can be done at many locations in the city. Moving this Park and Recreation function and remodeling the property to provide facilities for lifeguards will allow for future expansion of the Boating Safety Unit and keep our shoreline safe.

Designate a Chief Data Officer and Create a User-Friendly City Website. (\$128,672) The City's technology infrastructure and the public's ability to access city information and services are critical to a transparent and inclusive government. With the dissolution of the San Diego Data Processing Corporation, the general fund will receive revenues for reinvestment in technological advances. The top priorities for this revenue should be open data implementation and website upgrades. An open data advisory group is currently meeting to develop a policy and implementation plan. The City will need a Chief Data Officer to lead the open data efforts. Additionally, the City's current website is archaic and needs customer service enhancements, including being mobile-friendly and easily searchable.

Reinvest Former Redevelopment Agency Dissolution Funds for Neighborhood Investment and Economic Development. The most recent Five Year Financial Outlook reports the City is expected to continue to receive revenues as a result of the dissolution of the former Redevelopment Agency. To maintain consistency with the original mission of the former Redevelopment Agency, funds should be reinvested in neighborhood infrastructure like libraries, fire stations, and parks, as well as economic development purposes.



M E M O R A N D U M

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Lorie Zapf- Council District 6
SUBJECT: Budget Suggestions for FY 2014/2015

In addition to closing the gap in the upcoming budget the City should consider a series of small targeted increases in services. Below is a list of Council District 6 priorities and identified savings options (not in a ranked order) that I would like to see included in the upcoming budget discussions:

1. ***Seek Aggressive Funding for Police Department Five Year Plan:*** The Council unanimously approved the five year plan for the San Diego Police Department. Public safety should be any city's number one priority and this reasonable plan provides a blueprint for how we might best restore services for our police. Increasing the Police Department Budget by \$11 million in lean budget times is a big ask but public safety has to be our number one priority as a city.
2. ***Continue and Accelerate the Uniform Allowance as a Tool to Boost Retention:*** The additional funds added to the uniform allowance last year has shown a positive boost to officer retention but it must not be a one year hit. Instead we should fund again this year and even consider supplementing it in a similar way in order to continue to positively impact retention.
3. ***Add one Lifeguard III in Pacific Beach:*** This year the PS&LN committee is slated to adopt a Five Year plan to restore our lifeguard equipment and staffing levels. In the meantime, I respectfully request the addition of one Lifeguard III at the currently understaffed station in Pacific Beach (2 FTE). Pacific Beach is one of the busiest beaches in San Diego, and we must have adequate staffing for tourists and locals at this location year round. (Estimated cost for this is \$277,406 including salary, fringe, and the EMT bonus)
4. ***Implement 2 Fast Response Units for San Diego Fire:*** The 2011 Citygate report proposed the creation of Fast Response Squads (FRS) to help reduce fire department response times, and the wear-and-tear on our fire trucks and engines. According to a February 13, 2013 report to PS&NS, the program is ready to be implemented but has remained unfunded. Chief Mainar estimated that the FRS pilot program would cost \$769,000 for the pilot year. As we try to do the most possible with our limited

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financial resources, we must invest in the FRS pilot program to see if it is an effective way to reduce fire department response times and enhance public safety citywide.

5. ***Use Anticipated IT Contract Savings to Fund Online Services:*** As we requested last year the City should consider how to use some of the savings that will be secured in this budget year from the IT switch over to putting more services online as a way to create transparency and increase customer service. There are more than 70,000 small businesses in the City of San Diego, which make up 92 percent of all businesses in the City.¹ For these reasons, it is imperative that we do everything we can to help and encourage small business growth.
6. ***Implementation of Penny for the Arts in particular Festival Funding:*** TOT revenues have been a bright spot in the City's financials but even as TOT, which is the funding source for our arts and culture program, has recovered, arts and culture funding remains well below what it was in 2002. The City Charter specifically identifies supporting arts & culture as a core city service. Additionally, it is an investment that generates revenue for the City and that investment yields a significant return – because of revenue generated from TOT, from sales tax, and more. The return on our investment in the arts is how we fund neighborhood services, public safety, and infrastructure. If San Diego doesn't offer these options to our tourists, they will travel elsewhere. They're ready to stay twice as long and spend twice as much as an average tourist. They should be doing that here, not in LA or San Francisco. The plan approved by Council calls for a significant increase in spending this year. We would strongly urge the Council and Mayor to implement the plan that was approved by Council in particular front loading monies to be used for the 2015 Centennial Celebration.
7. ***Fund Design Costs for Starlight Bowl Repair:*** I am requesting \$100,000 be added to the FY 2015 budget in order to conduct design and other preliminary work in order to repair and rehabilitate the Starlight Bowl. The Bowl is listed as a contributor to the Balboa Park National Register Historic Landmark District. Over the years it has deteriorated and is now in critical need of repair and rehabilitation. As an outdoor venue, it is exposed to the elements which have inflicted a heavy toll over time. In 2013 my office, along with Council District 3 contributed CPPS funds toward a Conditions Assessment Report and Feasibility Study, which was completed by Heritage Architecture. The report confirmed that the venue is in need of upgrading and revamping of its infrastructure (plumbing, electrical) systems, structural repairs, security doors and fencing, storage facilities, and theatrical systems. A critical issue with respect to restoring this venue to performance quality is the mitigation of overflying aircraft noise.
8. ***Decrease SDCERS Overhead Costs:*** An audit performed a few years back by the Office of the City Auditor demonstrated that overhead costs from SDCERS were considerably higher than other like-sized systems. It behooves the Council and the City Attorney to negotiate with SDCERS to bring these costs down, now that the

¹ City of San Diego Economic Development Department. Small Business Assistance website. www.sandiego.gov/economic-development/business-assistance/small-business/

Substantially Equal Litigation is drawing to an end. Decreasing the overhead costs could save the City several million dollars.

9. ***San Diego River Park Master Plan Implementation:*** The City Council approved the City's San Diego River Park Master Plan. The City should heed the recommendation of the Park and Recreation Board and add a Project Director position to Park and Recreation or to Development Services to implement the approved Master Plan. Alternatively the City could take one of the new planners tasked to the vision team created by Mayor Filner and task them with these duties. It is critical that the City have a dedicated person to coordinate with property owners, public agencies and non-profits that own property or are working in the San Diego River basin.
10. ***Continued Funding for Library Circuit:*** We contributed a significant source of funding for startup costs and the first years contract from my Council District CPPS funding to get the City back into the Countywide Library Circuit. I would like to ensure that we continue funding this important program.

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City of San Diego
Councilmember Scott Sherman
Seventh District

MEMORANDUM

DATE: January 17, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Scott Sherman
RE: Fiscal Year 2015 Budget Priorities

In the aftermath of the economic recession and pension crisis that forced the City to underfund its infrastructure needs, cut public safety and slash neighborhood services, we are finally in a position where we can start reinvesting in our neighborhoods. This is due, in part, to the difficult financial decisions that were made by previous councils.

However, much of that credit must also be attributed to the thousands of San Diegans that took to the ballot box and mandated that the City reform its pension system and implement managed competition. The City would not be in this position if it were not for them and it is imperative that we do not lose sight of that as we begin the Fiscal Year 2015 budget process.

The following are my budget priorities for FY 2015:

Common Sense Fiscal Reforms:

Identify Cost Savings in Traffic Engineering

There is the potential to realize millions of dollars in cost savings in Traffic Engineering Operations by moving forward with managed competition. Managed competition was passed overwhelmingly in 2006, and after some progress was made this cost-saving, common-sense program was stalled. It is one of my top budget priorities to see managed competition in areas such as Traffic Engineering Operations move forward so that those savings can be reinvested back into our neighborhoods.

Maintain Reserves at High Levels

The Council and Mayor must continue maintaining high reserve amounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts from unfunded mandates, will not pose insurmountable

challenges. We must rigorously adhere to our goal to not only provide “rainy day” protection but also to sustain the City’s favorable credit rating. This is particularly important with the city increasing the amount of its total debt service with the recent addition and planned addition of large infrastructure bonds.

Rollover the FY 2014 Budget Surplus into FY 2015

The Financial Management Department projects an \$18.0¹ million budgetary surplus in FY 2014 based on unanticipated receipts from the Redevelopment Property Tax Fund and the dissolution of the San Diego Data Processing Corporation. Given the looming \$19.1 million budget deficit in the upcoming fiscal year, I support rolling all or the majority of that over to address next year’s projected budget deficit.

Improve Efficiencies in Landfill Collection

Landfill Collection services are used by every citizen in the City of San Diego. Improving efficiencies in this department should be an important goal for our leaders. One tool that should be used is managed competition. This program will not only improve efficiencies in a necessary service but also identify ways to save costs for the City and taxpayers. Some of these savings can then be invested in workforce incentive programs.

Expand Marketing Partnerships

A common-sense way to generate funds for the city is to expand marketing partnerships between the city and private entities. Official sponsorship, naming rights, advertising, and exclusive rights are just some of the forms of revenue-generating marketing partnerships available to the city. To its credit, the city already has some marketing partnerships - which have generated approximately \$16 million cumulatively in revenues. An example is the successful agreement between Toyota and San Diego Lifeguards and the recent partnership with Sewer Lines of America. The City should commit to exploring and committing to new options.

Implement Zero-based Budgeting

Zero-based budgeting is an approach to budgeting which reverses the working process of traditional budgeting. The City of San Diego uses traditional incremental budgeting, whereby department managers justify only variances versus past years, based on the assumption that the "baseline" is automatically approved.

By contrast, in zero-based budgeting, every line item of the budget must be approved, rather than only changes. During the budget process, no reference is made to the previous level of expenditure. Zero-based budgeting requires the budget request be re-evaluated thoroughly, starting from the zero-base. This process is independent of whether the total budget or specific line items are increasing or decreasing. Approaching our budget in this manner would require that the existence of a program or expenditure be justified in each fiscal year, as opposed to simply basing budgeting decisions on a previous year’s funding level. Zero-based budgeting has been used in the private and public sectors for decades.

¹ FY2014 First Quarter Budget Report

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I encourage the Financial Management Department, the Mayor and my colleagues on the City Council to consider this new way of developing our budget in future years.

Improve Storm Water Operations and Maintenance

In September 2013, Interim Mayor Todd Gloria announced that the Preliminary Statement of Work for the Storm Water Operations and Maintenance managed competition was null and void due to the new permitting requirements that were put into place by the California Coastal Commission and the San Diego Regional Water Quality Control Board.

Despite this unanticipated delay, the City Council and Mayor should renew its commitment to improving Storm Water Operations and Maintenance through managed competition.

Invest Cost Savings into Neighborhoods:

Restore Median Maintenance Program Funding

Due to budget shortfalls during the recession, Park and Recreation's Median Maintenance Program was cut by almost half in FY 2011. This program maintains the medians for communities throughout the City. The current dilapidated state of both the concrete and landscaped medians does not reflect well on San Diego's title as America's Finest City. While not only an aesthetic aspect to our city, medians are another source of infrastructure that has fallen to the wayside.

With almost \$43 million for streets in the recent infrastructure bond, I encourage the Mayor and City Council to restore \$575,000 to the Median Maintenance Program that was appropriated to Street Division in 2011. This figure is consistent with the \$552,000 reduction made in 2011.

Support the Police Department's Five-Year Plan

I am committed to working with the Police Department and continuing to find ways to address their recruitment and retention issues. The safety of our citizens should be a top priority and our support of the Police Department's Five-Year Plan should reflect this priority.

If the Mayor and City Council push forward on common-sense reforms like managed competition and increased marketing partnerships throughout the city, this increase in public safety service levels is attainable.

Continued Support for the San Carlos Branch Library

The San Carlos Branch Library has been a community staple for the last 40 years. Initially planned as the flagship branch for the surrounding neighborhoods, the San Carlos Library has been in planning stages for a new Library for almost 20 years. In January 2014, the San Carlos Library kicked off its year-long 40th Anniversary Celebration. The recent infrastructure bond identified \$1 million for FY 2015 to finalize the design documents for the new San Carlos Library which will complete the last steps

in preparation for construction. After the design phase is completed, I request that the Mayor and City Council continue to help prioritize funding for the San Carlos Library.

Restore Mission Trails Regional Park Campground Facilities

Much of San Diego's identity and culture centers around the outdoors. The City of San Diego operated a campground in Mission Trails Regional Park (MTRP) until budget cuts closed this area to overnight camping in 2009. Because it is located relatively close to our urban neighborhoods Kumeyaay Lake provides a unique, affordable and nearby opportunity for San Diego residents to camp overnight.

During last year's budget process, the Council was supportive of re-opening the overnight Kumeyaay Lake Campground but our efforts were ultimately halted by Bob Filner. Moving forward, I recommend allocating \$200,000 to restore staffing to resume overnight camping and provide funding for improvements to the visitor center. The additional staffing would add approximately \$140,000 in personnel costs for the Park and Recreation Department. The remaining \$60,000 would be utilized to rehabilitate the MTRP Visitor Center into a LEED building using the Level I and Level II Energy Efficient Assessment Reports that the City has already completed.

Prioritize Mission Valley Community Plan Update

Mission Valley has been a rapidly growing community over the last 15 years. As a result of this rapid development, the community plan needs to be updated to reflect the needed changes in zoning and facility needs. Mission Valley is a community that is accessed by four major freeways and contains multiple stops on the Orange trolley line. A community plan update will prepare this community for continued expansion that is predicted by SANDAG in the area.

The planned completion of the Grantville Master Plan in June is a testament to the progress we have made in prioritizing community plan updates. As the Grantville Master Plan process winds down, I recommend that the Mayor and City Council fund the initial phase of the Mission Valley Community Plan Update.



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: January 24, 2014

IBA Report Number: 14-03

Committee on Budget and Government Efficiency

Docket Date: January 29, 2014

Item Number: 1

FY 2015 City Council Budget Priorities

OVERVIEW

The Fiscal Year 2015 Budget Process Key Dates, adopted by City Council on December 10, 2013, outlines the critical dates for budget development in accordance with the City Charter. It also serves to inform the citizens of San Diego about the upcoming budget process. The initial step for Council and public input into the budget process is the development of the City Council budget priorities resolution, which is compiled from individual Councilmember memos outlining priorities for the upcoming budget.

On January 6, 2014 Council President and Committee on Budget and Government Efficiency Chairman Todd Gloria issued a memorandum requesting all Councilmembers to submit their individual budget priorities for the FY 2015 Proposed Budget to the Office of the Independent Budget Analyst by January 17, 2014. In recent fiscal years City Councilmembers' budget priorities memoranda for the upcoming fiscal year were due to the Office of the Independent Analyst in March. In preparing the FY 2015 Budget Process Key Dates, our office consulted with Financial Management, the Interim Mayor's Office, then Interim Budget and Finance Committee Chairman, and the Council President Pro-Tem, and determined that receiving these memoranda earlier in the fiscal year will allow the administration more time to evaluate these priorities for potential inclusion in the FY 2015 Proposed Budget.

This report summarizes common themes in budget priority memos from each Councilmember. The Councilmembers' memoranda are provided as an attachment to this report. These common themes have been identified as representative of the budget priorities of the City Council based on fiscal and policy items recurring throughout each memo and they serve as the basis for the Budget Priorities Resolution.

The draft resolution will be discussed by the Committee on Budget and Government Efficiency on January 29, 2014. Based on the Committee's review and input, the Office of the IBA will forward this report with any requested Committee modifications for a second public hearing at

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City Council on February 4, 2014. The Priorities Resolution will then be subsequently forwarded to the Interim Mayor for his consideration during development of the FY 2015 Proposed Budget. These Council priorities should also be considered by the new Mayor who will take office in March 2014 and be responsible for carrying out the FY 2015 budget process.

FISCAL/POLICY DISCUSSION

FY 2015 City Council Budget Priorities

City Councilmember budget priority memoranda include various budget priorities for FY 2015. We have compiled priorities that received equal to or greater than a majority of support from City Councilmembers as the priorities outlined below. However, for discussion purposes, we have also included at the end each budget priority section priorities for that specific category that received just under majority support. The number one theme amongst all priorities was to enhance public safety in the City of San Diego, with support for Police, Fire, and Lifeguard priorities. Other priorities with significant support include funding for increased neighborhood services, greater investment in infrastructure, and funding for more efficient City operations, among others.

The attachment to this report includes six Councilmember budget priority memoranda (Attachment One). This fiscal year, Council President Pro-Tem Lightner and Councilmembers Cole, Alvarez, and Emerald submitted a joint priority memorandum.

In Council President Gloria's call memorandum for priorities, it was requested that Councilmembers include specific dollar amounts for each priority contained in their memorandum. However, in developing the cohesive resolution for Councilmember priorities, we have chosen to not include specific dollar amounts in Councilmember memoranda as these amounts will continue to be refined by our office and the Financial Management Department during the development of the FY 2015 Proposed Budget. Dollar amounts listed in each priority memorandum can be found in Attachment One to this report.

Enhancing Public Safety

Public safety funding requests are items in Councilmember budget priority memoranda that provide funding for Police, Fire-Rescue, Lifeguard, and other operations.

- Police Priorities

Funding for the Police Five-Year Plan (Council Districts 1, 2, 3, 4, 5, 6, 7, 8, 9)

The unanimous priority among all Councilmembers was to increase funding for the San Diego Police Department (SDPD) Five-Year Plan (Plan). The majority of Councilmember specific requests for Plan implementation are to add funding for new sworn and civilian positions. Additional specific requests for funding of the Plan include securing funding for the Computer Aided Dispatch (CAD) system, funding for maintenance and repairs identified in the Plan, and one-time Police equipment purchases.

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Funding for the Police Retention Program (Council Districts 1, 2, 4, 5, 6, 7, 8, 9)

The second Police funding priority mentioned in Councilmembers memoranda was the need to continue to address Police Officer retention in FY 2015. In FY 2014, \$2.0 million in one-time funding was provided to the SDPD to aid in addressing compensation and retention issues. Priorities included specific mentions of continuing and / or accelerating this program in addition to general support in addressing officer retention in FY 2015.

- Fire-Rescue Priorities

Funding for the Continued Implementation of the Citygate Report (Council Districts 1, 2, 3, 4, 8, 9)

The priority for the Fire-Rescue Department that received the most support was for the continued implementation of the Citygate Report recommendations. Councilmember priority memoranda supported the construction and operation of the Eastside Mission Valley, Skyline Drive, and Home Avenue fire stations. Construction on the Eastside Mission Valley fire station broke ground this month using money from Deferred Capital Bond 2A and other sources committed in FY 2013. Design and land acquisition costs for the Home Avenue and Skyline Drive permanent stations are anticipated to be fully funded by Deferred Capital Bond 3 (to be heard for City Council approval on January 27, 2014). The required support for the Eastside Mission Valley fire station in FY 2015 was specifically mentioned in the priorities, including additional personnel (12.0 FTE's) and non-personnel expenses (acquisition of a fire engine and related equipment, among others)¹.

Skyline Temporary Fire Station (Council Districts 1, 2, 4, 8, 9)

The second Fire-Rescue priority mentioned was funding for the Skyline temporary fire station. This temporary station will assist in addressing response times in certain portions of the City until the Skyline permanent station is fully funded and completed.

- Lifeguard Priorities (Council Districts 1, 4, 5, 8, 9)

The majority of Councilmembers first priority was restoring the Lifeguard headquarters to a facility solely dedicated to their use. Previously, Lifeguard services were a division of the Park and Recreation Department and space in the facility was shared between the two. Despite Lifeguard services becoming a division of the Fire-Rescue Department, the Park and Recreation Department continues to utilize a portion of their headquarters for carpentry work. Councilmembers' priority memoranda requested this space be returned for Lifeguard use. Additionally, the second priority in these same memoranda was to then subsequently utilize this space returned to Lifeguard services to expand the Boating Safety Unit to improve public safety. Both priorities were requested to be accomplished in the FY 2015 budget.

¹ Construction of the Eastside Mission Valley Station is anticipated to be complete by July 2015. The Fire-Rescue Department has confirmed that, due to this construction schedule, operating costs (personnel and non-personnel) will not be needed until FY 2016.

- Additional Enhancements of Public Safety

Additional items not receiving majority support, but receiving a significant number of mentions include the following:

- The implementation of a pro-active brush management program.
- The addition of two Park Rangers, one each for Chollas Park and the La Jolla shoreline.

Funding For Community Services

Funding for community services includes a broad array of priorities including services directly provided to citizens of the City, including underserved populations, and other items that can be experienced by residents throughout San Diego.

- Increasing Hours for Both the Central and Branch Libraries (Council Districts 1, 3, 4, 8, 9)

In previous fiscal years, branch library hours were reduced as part of a budgetary balancing measure when the General Fund was facing substantial deficits. In subsequent budgets, operating hours were restored in branch libraries and hours expanded at the Central Library. A majority of Councilmember memoranda requested further expansion of branch library and Central Library hours from 44 hours per week to 48 hours and from 49 hours per week to 52 hours, respectively.

- Continuation and Expansion of Funding For Homeless Services (Council Districts 1, 3, 4, 8, 9)

A majority of Councilmember budget priority memoranda included funding for the continuation and expansion of funding for services that assist the homeless population. The specific services mentioned in these memoranda include the enhancement of the single adult and veteran winter shelters, the establishment of a Homeless Information Management System, expansion of funding for the Serial Inebriate Program, enhancement of both the Police Department's Homeless Outreach Team and Neil Good Day Center, funding for the continuation of the homeless transitional storage facility, and provide gap funding for Connections Housing Downtown.

- Establishment of Urban Forestry Program and Citywide Tree Maintenance (Council Districts 1, 3, 4, 8, 9)

Additional requests for neighborhood funding that received support in a majority of Councilmember memoranda include funding for the establishment of an Urban Forestry Program, including the addition of an Urban Forestry Coordinator position, in addition to Citywide tree maintenance.

Attachment C

- Additional community service funding priorities

Additional items not receiving majority support, but receiving a significant number of mentions include the following:

- Funding for a coastal management plan to be developed by consultants to address the proliferation of marine mammals and birds along the coast (particularly La Jolla Cove)
- Addressing the accumulated bird guano and associated odor along the bluffs of La Jolla Cove
- Addition of personnel and non-personnel expenses for new Park & Recreation facilities anticipated to open in FY 2015 (as outlined on page 3 of Council Districts 1, 4, 8, 9 priority memorandum)
- Funding to support youth services & education related development, including Connect2Careers Hire-a-Youth program and the San Diego Workforce Partnership

Infrastructure & Deferred Capital

Infrastructure and deferred capital items are Councilmember priorities to continue to address the \$800+ million backlog in deferred capital and infrastructure spending and / or to provide increased maintenance and repair to assist in reducing future deferred capital needs.

- Address Critical Sidewalk Repair Needs (Council Districts 1, 4, 5, 8, 9)

City staff estimates that the deferred maintenance and repair backlog just for lifted/raised sidewalks, for example sidewalk segments pushed up by tree roots, to be valued at \$5 million. In the FY 2014 Adopted Budget, approximately \$1.0 million in funding was provided for a sidewalk condition assessment. This assessment was to inventory existing sidewalks, identify missing sidewalk locations, map both existing and missing sidewalks with GIS, and to assess their overall condition using an Overall Condition Index similar to the index used for streets. City staff anticipates that this assessment will be completed by January 2015. Priorities for City Council Districts 1, 4, 8, 9 included requested funding of \$2.0 million for the construction of sidewalks determined by this condition assessment to be most critical for public safety. The Councilmember for District 5 identified the priority to increase funding of the City's 50/50 program to address immediate sidewalk hazards identified by the condition assessment. This program evenly shares the cost of sidewalk repairs with homeowners that are responsible for damage caused by tree roots, heavy vehicle traffic, or drainage from the private property. In 2014, the Infrastructure Committee plans to assess the City's existing sidewalk policy to determine what changes, if any, will be needed.

- Additional infrastructure and deferred capital funding priorities

Additional items not receiving majority support, but still receiving a significant number of mentions include the following:

- Completion of resurfacing for approximately six miles of streets identified as critical priorities in the street condition assessment
- Installation of approximately 100 street lights Citywide in areas with the most urgent public safety need
- Additional funding required for the completion of three separate Ocean View Hills “shovel-ready” park projects that may be reimbursed by Facilities Benefit Assessments
- Funding for Wightman Street Neighborhood Park

Operational & Policy Funding Priorities

Operational and policy funding requests listed in Councilmember priority memoranda include the addition of personnel and / or non-personnel expenses that would seek to improve internal City operations or enforce ordinances previously passed by City Council. Funding for these priorities would seek to improve specific services delivered to citizens.

- Creation of a Chief Data Officer (Council Districts 1, 2, 4, 5, 8, 9)

The priority for the creation of a Chief Data Officer position was included in a majority of Councilmember memoranda. This position is envisioned to handle a variety of tasks including leading the establishment and continued operation of an open data program, which would increase transparency and access to City information.

- Improving the City’s Website (Council District 1, 2, 3, 4, 5, 6, 8, 9)

Included in Councilmember memoranda was the need for greater ease in navigating the City’s website and for increased on-line services to aid in business growth (potential to be implemented in combination with the Chief Data Officer and the open data initiative).

- One Program Manager Position for the Climate Action Plan (Council Districts 1, 3, 4, 8, 9)

The City’s current Climate Action Plan (CAP) was developed in 2004 to supplement the City’s General Plan to aid in addressing long-range climate change and reduce greenhouse gases from power generation, transportation, and waste while improving the local economy. In October 2010, the Environmental and Economic Sustainability Task Force (EESTF) was created by City Council to update the CAP; however, an updated plan has yet to be finalized. Currently, the Interim Mayor’s Office is developing a new CAP in coordination with the EESTF and will subsequently be presented to stakeholders and the Committee on the Environment. The development of this plan will drive significant long-range change for the City and the majority of Councilmember priority memoranda included requested funding for one Program Manager position to move the plan forward and track its progress and success.

Attachment C

- 2.0 FTE's for Increased Compliance Monitoring of the Living Wage Ordinance (Council Districts 1, 3, 4, 8, 9)

At the January 15, 2014 meeting of the Committee on Economic Development and Intergovernmental Relations, the Purchasing and Contracting Department presented proposed updates to the City's Living Wage Ordinance. These proposed changes included cleanup and clarification of ordinance language, changes to strengthen the enforcement of the ordinance, and the request to add 2.0 FTE's for greater administration capabilities. Councilmember memoranda included the priority to fund the addition of a Program Manager and Senior Management Analyst to increase total staffing to 4.0 FTE's for administration of the Living Wage Ordinance.

- Additional operational and policy funding priorities

Additional items not receiving majority support, but receiving a significant number of mentions include the following:

- Funding for City Clerk enhancements
- Addition of 8.0 FTE's in the Personnel Department to aid in improving the civil service hiring process and reducing the time to fill existing vacancies in City departments
- The FY 2015 portions of the Government Operations Plan as approved by City Council on October 28, 2013
- Addressing other critical Department of Information Technology items, including capital lease reduction and public safety communication equipment, among others
- Addition of 1.5 FTE's to aid in the formation and operation of a City Charter Review Committee (1.0 FTE Office of the Independent Budget Analyst & 0.5 FTE for Administration)
- Implementation of the Neighborhood Parking Protection Ordinance
- Addition of 6.0 FTE's in the Purchasing and Contracting Department for monitoring and enforcement of the Prevailing Wage Ordinance
- Increased funding for Property Value Protection Ordinance

Revenue Options

This section includes ideas echoed in Councilmember priority memoranda for additional revenue to offset a portion of the costs of proposed new expenditures.

- Residual Property Tax Trust Fund Revenue (Council Districts 1, 4, 5, 8, 9)

In the FY 2015-2019 Five-Year Financial Outlook, no revenue was included in the FY 2015 General Fund revenue projection for Residual Property Tax Trust Fund (RPTTF) revenue due to the Redevelopment Agency dissolution. However, the Office of the IBA in their review of the Five-Year Outlook included a revised projection of \$5.0 million in RPTTF revenue. In Council District 1/4/8/9 priority memorandum, it was proposed to include a \$6.5 million RPTTF revenue projection in the FY 2015 budget. In the Council

District 5 priority memorandum, it was proposed that this revenue distribution (in addition to any additional revenues received due to the dissolution of the Redevelopment Agency) be reinvested in neighborhood infrastructure like libraries, fire stations, and parks, as well as economic development purposes.

- Additional revenue options included in priority memoranda

Additional items not receiving majority support, but receiving a significant number of mentions include the following:


- Increasing the FY 2014 property tax revenue projection based on current receipts and revenue trends, which subsequently increases the FY 2015 projection
- Adjust the FY 2015 property tax revenue growth rate from 3.5 percent (as included in the FY 2015-2019 Five-Year Financial Outlook) to 4.0 percent
- Adjust the FY 2015 sales tax revenue growth rate from 4.5 percent (as included in the FY 2015-2019 Five-Year Financial Outlook) to 5.0 percent
- As illustrated for potential use of excess General Fund reserves in the Office of the IBA review of the Five-Year Financial Outlook and as previously presented by the San Diego Municipal Employees Association, transfer excess reserves to the worker's compensation fund and create potential future fiscal year savings for General Fund

CONCLUSION

It is recommended that the Committee on Budget and Government Efficiency review and discuss the budget priorities highlighted in this report, and forward it with any desired modification to City Council for formal adoption of the FY 2015 Budget Priorities Resolution.



Seth Gates
Fiscal & Policy Analyst



APPROVED: Andrea Tevlin
Independent Budget Analyst

Attachments: 1. Councilmember Memoranda



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: May 20, 2014

TO: Honorable Council President Todd Gloria and Members of the City Council

FROM: Scott Chadwick, Chief Operating Officer
Mary Lewis, Chief Financial Officer

SUBJECT: May Revision to the Fiscal Year 2015 Proposed Budget

[Handwritten signature: Mary Lewis]

This memorandum presents the recommended revisions to the Fiscal Year 2015 Proposed Budget (May Revision). It includes adjustments to various department budgets that have arisen since the Fiscal Year 2015 Proposed Budget was released on April 14, 2014, as well as updates to major revenue projections based on two additional months of data. The May Revision includes the use of one-time resources to fund one-time adjustments and ongoing resources to fund ongoing adjustments. As reflected in the Fiscal Year 2015 Proposed Budget, the May Revision continues the focus on infrastructure, public safety, and neighborhood services. As a result of the changes included in the May Revision, the proposed General Fund budget is increased by a net \$22.7 million. These expenditures are primarily funded by an increase in projected Property Tax and Transient Occupancy Tax revenue for Fiscal Year 2015. In addition, a portion of the projected Fiscal Year 2014 year-end Excess Equity is proposed to fund the Public Liability Fund reserve to the 50.0 percent target level. This funding is contingent upon its availability when the City closes its books for Fiscal Year 2014. Incorporating these changes and the Fiscal Year 2014 year-end Excess Equity, the General Fund Reserve projection remains at 14.0 percent, which meets the City's reserve policy target for Fiscal Year 2015 as shown in *Attachment 1*.

Incorporating the adjustments in the May Revision, the General Fund and other City non-general funds remain balanced. The following discussion covers the significant adjustments to the Fiscal Year 2015 Proposed Budget. A summary of adjustments is also included in *Attachment 2*.

OVERVIEW

Significant Ongoing Adjustments

The May Revision includes an increase of \$9.4 million in ongoing resources for the General Fund. These resources are partially used to fund \$7.4 million in ongoing departmental adjustments. A net total of 19.98 Full-Time Equivalent (FTE) positions are being added/transferred to the General Fund budget (the citywide net position addition is 10.68 FTE). The following are significant adjustments for the General Fund:

Ongoing Resources

- \$7.2 million increase in Property Tax revenue based on preliminary assessed valuation information and additional increases in projected Redevelopment Property Tax Trust Fund (RPTTF) receipts;
- \$1.4 million increase in Transient Occupancy Tax (TOT) revenue based on an increase in projected TOT revenues for Fiscal Year 2014;
- \$770,597 increase in TOT reimbursements to Park & Recreation and Economic Development for tourism-related expenditures based on an increase in projected TOT revenues for Fiscal Year 2014; and
- Other minor adjustments.

Ongoing Adjustments

- \$1.5 million increase in the Police Department for helicopter support;
- \$1.4 million reduction in revenue from the City Attorney's Office to more accurately reflect the projected decrease in settlement revenues for Fiscal Year 2015;
- \$1.2 million increase in Defined Contribution Plan expenditures for employees eligible to participate in the defined contribution retirement plan;
- \$500,000 increase in the Park & Recreation Department for the brush management contract;
- \$461,000 increase in the Police Department for the County of San Diego animal services contract;
- \$318,217 increase in Property Tax administration fees from the County of San Diego;
- \$286,094 net increase, including 15.30 FTE positions, in the Communications Department for the transfer of existing positions from other non-general funds;
- \$254,100 increase in the Public Utilities Department for the San Dieguito River Park Joint Powers Authority (JPA);
- \$248,290 increase, including 2.00 Mayor Representative 2s, in the Office of the Mayor;
- \$218,522 increase for 1.00 Communications Director;
- \$218,522 increase for 1.00 Analytics and Performance Management Director;
- \$212,025 increase, including 1.00 Council Representative 1 and 1.00 Information Systems Analyst 3, in the City Council Administration Department;

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- \$201,992 increase for 1.00 Sustainability Program Manager in the Economic Development for Climate Action Plan implementation and related sustainability initiatives;
- \$175,000 increase in the Transportation & Storm Water Department to transfer trench cut revenue collected in the General Fund to the Utilities Undergrounding Fund;
- Addition of 1.00 Lifeguard 3 in the Fire-Rescue Department for Windansea Beach offset by a reduction of 3.30 Hourly Lifeguard 1s; and
- Other minor adjustments.

Significant One-Time Adjustments

The May Revision includes an increase of \$15.6 million in one-time resources for the General Fund, which includes the partial use of the Excess Equity projected in the Fiscal Year 2014 Year-End Budget Monitoring Report (Year-End Report). These resources are used to fund \$17.6 million in one-time departmental adjustments. A discussion of significant General Fund adjustments follows:

One-Time Resources

- \$12.8 million in the projected Fiscal Year 2014 year-end Excess Equity;
- \$1.7 million reduction in deferred capital debt service payments related to the delay of the \$120 million bond issuance as a result of the litigation;
- \$500,000 in Convention Center bond proceeds reimbursements;
- \$494,875 reduction in the annual General Fund contribution to the Risk Management Administration Fund (the citywide contribution reduction is \$750,000); and
- Other minor adjustments.

One-Time Adjustments

- \$12.8 million to fully fund the Public Liability Fund reserve, per the Reserve Policy, from Excess Equity contingent upon its availability when the City closes its books for Fiscal Year 2014;
- \$2.7 million increase in infrastructure expenditures for Capital Improvements Program (CIP), including:
 - \$1.0 million in the Transportation & Storm Water Department for street light installation
 - \$970,000 in the Park & Recreation Department for the Wightman Street Neighborhood Park project
 - \$600,000 in the Park & Recreation Department for the Silver Wing Neighborhood Park Sports Field/Lighting project
 - \$100,000 in the Park & Recreation Department for the Trail for All People project
 - \$47,000 in the Park & Recreation Department for the Tierrasanta Community Park Sports Field Lighting project

- \$718,403 increase in the Fire-Rescue Department for personal protective equipment and emergency operations equipment;
- \$500,000 increase in the Public Works – General Services Department for tenant improvements and moving expenses for various departments;
- \$300,000 increase in the Economic Development Department to fund Civic San Diego to provide ministerial review in Encanto and City Heights and to develop reuse opportunities for the old Main Library;
- \$246,367 increase in the Citywide Program Expenditures Department for a settlement with the Regional Water Quality Control Board;
- \$150,000 increase in the Economic Development Department to fund 25 homeless triage beds; and
- Other minor adjustments.

Excess Equity and Public Liability Fund Reserve

Based on the Fiscal Year 2014 Year-End Budget Monitoring Report, the Fiscal Year 2014 projected Excess Equity is approximately \$18.5 million. Of this amount, \$1.7 million is allocated for Community Projects, Programs, and Services and \$12.8 million is recommended to fund the Public Liability Fund reserve in order to meet the 50.0 percent target level of outstanding public liability claims. The transfer of Excess Equity to the Public Liability Fund reserve is contingent on determining the General Fund unrestricted fund balance for Fiscal Year 2014 and confirming that \$12.8 million is available after meeting the 14.0 percent General Fund reserve target level. The remaining projected \$4.0 million in Excess Equity is not recommended for appropriation and has been set aside to address potential General Fund expenditures resulting from the dissolution of the Redevelopment Agency as well as potential public safety needs related to the May 2014 firestorms.

It should be noted that while the \$12.8 million contribution to the Public Liability Fund reserve, if Excess Equity is available, will fully fund the reserve to the 50.0 percent target level, anticipated compliance claims of approximately \$9.5 million will require the use of the reserves in Fiscal Year 2015. *Attachment 3* shows the impact of the contribution of Excess Equity and the cost of the anticipated compliance claims to the Public Liability Fund reserve. As a result of this expected payment of \$9.5 million, the Public Liability Fund reserve, even with the transfer of \$12.8 million of Excess Equity, is projected to be at the 40.0 percent reserve level in Fiscal Year 2015.

Restructures

The following are additional proposed departmental restructures for Fiscal Year 2015.

- **Planning and Neighborhoods and Economic Development Departments**
The May Revision contains the reestablishment of the Economic Development Department which will separate the function from the current Planning, Neighborhoods and Economic Development Department. This action reflects the Mayor's commitment to foster economic development throughout the City. This

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proposal creates a single department to coordinate economic development opportunities with local, national, and international stakeholders. This new department will assure new and existing businesses that the City of San Diego is open for business and truly values businesses' contributions in creating a successful and diversified economy.

This reorganization will also allow the revised Planning and Neighborhoods Department to focus on California Environmental Quality Act (CEQA) requirements, community plan updates and urban design efforts. Each of these departments will complement the other as employers can be confident that the City of San Diego is committing resources and attention to companies locating, building, and expanding within our City.

- **Communications Department**

The Communications Department restructure consolidates all of the City's existing communication-related functions into one department. These functions include: Cable Office; CityTV; Internal Communications; Multimedia Services; and Public Information. The May Revision includes the addition of a Communications Director and a total of 22.00 FTE positions which have been transferred into the department from: Development Services, Environmental Services, Library, Park & Recreation, Planning and Neighborhoods, Public Utilities, Public Works, and Transportation & Storm Water Departments.

A Communications Department with responsibility and authority over all City external and internal communications will ensure consistent and effective management of information; improve the ability of the Mayor and Council to reach the public and the workforce; and place appropriate focus on how the City communicates internally and externally. The department will use existing staff to balance project and department-specific communications.

CITYWIDE CONSIDERATION

Risk Management Administration Contribution

General Fund Expenditure Adjustment: (\$494,875)

Non-General Fund Expenditure Adjustment: (\$255,125)

The May Revision includes a one-time reduction of \$750,000 in contributions to the Risk Management Administration Fund, of which \$494,875 is the General Fund portion and \$255,125 is allocated among all non-general funds. The reduced contribution is based on the use of the Risk Management Administration Fund's fund balance.

Fringe Benefit Adjustments

As a result of salary and position adjustments, a citywide fringe rate adjustment will be necessary to ensure that the Retirement Actuarially Determined Contribution (ADC) payment of \$263.6 million to SDCERS is fully allocated in the budget for Fiscal Year 2015. An adjustment of budgeted fringe, including the Retirement ADC, Other Post Employment Benefits (OPEB), Workers' Compensation, Risk Management Administration, Long-Term Disability, and Unemployment Insurance allocations to all departments will also be needed to ensure that fixed fringe allocations are fully budgeted and that the expense is appropriately distributed to all funds.

DEPARTMENTAL ADJUSTMENTS**GENERAL FUND****Major General Fund Revenues**

Revenue Adjustment: **\$9,119,946**

Property Tax Revenue

Addition of \$7.2 million in Property Tax revenue based on revised preliminary assessed valuation information received from the County Assessor's Office on May 15, 2014 and additional increases in projected Redevelopment Property Tax Trust Fund (RPTTF) receipts. During development of the Fiscal Year 2015 Proposed Budget, the County Assessor's Office provided an estimate of 3.0 percent as the projected increase in the City's assessed valuation for Fiscal Year 2015. Given the County Assessor's propensity to be conservative, the Fiscal Year 2015 Proposed Budget incorporated a growth rate of 3.5 percent for Property Tax revenue. On May 15, 2014, the County Assessor's Office provided a letter stating that based on preliminary assessed valuation information for Fiscal Year 2015 the City's assessed valuation will increase 4.8 percent. The preliminary assessed valuation information received from the County is consistent with the most recently available economic indicator information reviewed by the City. As a result of the preliminary assessed valuation information and most recent economic indicators, the growth rate of 3.5 percent incorporated in the Fiscal Year 2015 Proposed Budget for Property Tax revenue has been increased to 4.75 percent for the May Revision. This increase in the growth rate for Property Tax results in a \$6.0 million total increase in the 1% base property tax and in the Motor Vehicle License Fee Backfill revenue. Additionally, as a result of the dissolution of the Redevelopment Agency (RDA), the City will continue to receive tax sharing distributions and residual property tax payments from funds remaining in the RPTTF after the Recognized Obligation Payment Schedule (ROPS) requirements have been met. Projected increases to RPTTF tax sharing distribution and residual payments amount to \$1.1 million.

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Transient Occupancy Tax (TOT) Revenue

Increase of \$1.4 million based on TOT receipts in Fiscal Year 2014. This adjustment also reflects a revision to the one-cent discretionary TOT allocation. The City's actual TOT receipts for February and March exceeded expectations, resulting in an increase in the Fiscal Year 2014 year-end projection which serves as the base of projections for Fiscal Year 2015. Although actual TOT receipts for the most recent two months have been positive, the growth rate for TOT is recommended to remain at 5.5 percent as was incorporated in the Fiscal Year 2015 Proposed Budget.

Property Transfer Tax Revenue

Addition of \$20,948 based on current fiscal year Property Transfer Tax receipts.

Reimbursement from Convention Center Phase III CIP

Increase of \$500,000 in reimbursements from bond proceeds from the Convention Center Phase III CIP. The City anticipates issuing bonds for the Convention Center expansion project in Fiscal Year 2015 and repaying the General Fund. Funding for pre-construction consultants was provided in Fiscal Year 2014 by the City for geotechnical testing and analysis and a traffic study at Park Boulevard and Harbor Drive.

Analytics and Performance Management

FTE Adjustment: 1.00

Expenditure Adjustment: \$218,522

Analytics and Performance Management Director

Addition of 1.00 Department Director and \$218,522 in associated personnel expenditures to lead the Analytics and Performance Management Department.

City Attorney

Expenditure Adjustment: \$105,494

Revenue Adjustment: (\$1,400,000)

Revenue Projection Reduction

Reduction of \$1.4 million in projected revenue from settlements based on a recent historical review of revenue received.

Defined Contribution Retirement Plan Adjustment

Addition of \$105,494 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

City Clerk

FTE Adjustment: 0.28
Expenditure Adjustment: \$11,429

Non-Standard Hour Positions

Addition of 0.28 FTE positions and \$11,429 in personnel expenditures to provide for hourly support for department operations including, legal noticing, posting and processing requirements.

City Council

FTE Adjustment: 2.00
Expenditure Adjustment: \$72,162

Community Projects, Programs, and Services Adjustment

Net reduction of \$139,863 in the Council Districts' budgets for Community Projects, Programs, and Services to reflect significant changes in the estimated savings from Fiscal Year 2014 as detailed in the Year-End Report.

Information Systems Analyst 3

Addition of 1.00 Information Systems Analyst 3 and \$126,742 in associated personnel expenditures to maintain critical service level needs for the City Council Offices, the Office of the IBA, and weekly meeting needs of the City Council and Standing Committees. This position will also provide program support to the Council Offices.

Council Representative 1

Addition of 1.00 Council Representative 1 and \$85,283 in associated personnel expenditures to support the City Council Offices and Office of the IBA, and to assist with contract administration for Community Projects, Programs, and Services funds and Arts, Culture, and Community Festivals funds.

City Treasurer

FTE Adjustment: (1.00)
Expenditure Adjustment: (\$74,130)
Revenue Adjustment: (\$74,130)

Public Information Clerk Reduction

Reduction of 1.00 Public Information Clerk and \$74,130 in associated personnel expenditures and revenue as a result of efficiencies gained from issuing all Neighborhood Parking Protection Ordinance permits online.

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Citywide Program Expenditures

Net Expenditure Adjustment: **\$11,832,665**

Public Liability Fund Reserve Transfer

Transfer of \$12.8 million from the General Fund to the Public Liability Fund reserve in order to meet the 50.0 percent reserve target of outstanding public liability claims liability. The transfer is contingent upon determining the unrestricted fund balance is available in Fiscal Year 2014 after the completing the year end close and after meeting the 14.0 percent General Fund reserve target level.

Labor Contracts Negotiation

Addition of \$50,000 in non-personnel expenditures to true up the contract amount in Fiscal Year 2015 required for the contract with Burke, Williams, and Sorensen, LLP, engaged to assist with labor contract negotiations with the City's labor unions. Of the \$300,000 (\$400,000 Citywide) required to fully fund the General Fund portion of this contract expense, \$250,000 was included in the Fiscal Year 2015 Proposed Budget. As a result of the Fiscal Year 2014 contract negotiations for five-year labor contracts, the City agreed with each of its recognized employee organizations to a series of reopeners and meet and confer obligations.

County of San Diego Property Tax Administration Fees

Addition of \$318,217 in non-personnel expenditures based on the Fiscal Year 2014 year-end projection of Property Tax Administration Fees as determined by the County of San Diego.

Deferred Capital Debt Service

Reduction of \$1.7 million for deferred capital debt service payments related to the delay of the \$120 million bond issuance as a result of the litigation.

Regional Water Quality Control Board Settlement

Addition of \$246,367 in non-personnel expenditures for the projected General Fund portion of a potential settlement with the Regional Water Quality Control Board (RWQCB) related to CIP projects that have been closed.

Rent Expenditure

Addition of \$118,081 in non-personnel expenditures for the addition of office space rent expenses for temporary Fire Station 5 and an increase in rent expenses for Civic Center Plaza due to General Fund departments occupying space that was vacated by the San Diego Data Processing Corporation. This increase in rent is partially offset by a reduction in rent for the Executive Complex due to a rental credit resulting from the newly negotiated lease in Fiscal Year 2014.

Communications Department

<i>FTE Adjustment:</i>	24.00
<i>Expenditure Adjustment:</i>	\$2,664,118
<i>Revenue Adjustment:</i>	\$1,452,033

Communications Director

Addition of 1.00 Communications Director and \$218,522 in associated personnel expenditures to lead the newly restructured Communications Department.

Communications Department Restructure

Transfer of 22.00 FTE positions and \$2.3 million in associated personnel expenditures from the Development Services, Environmental Services, Library, Park & Recreation, Planning and Neighborhoods, Public Utilities, Public Works, and Transportation & Storm Water Departments, as a result of the Communications Department restructure. Additionally, \$60,000 in non-personnel expenditures and \$1.4 million in offsetting revenue from non-general funds has been added to support department operations.

Senior Public Information Officer

Addition of 1.00 Senior Public Information Officer, \$98,709 in associated personnel expenditures and \$80,000 in offsetting revenue to provide communications services for the Underground Surcharge Fund.

Debt Management Department

<i>Expenditure Adjustment:</i>	\$52,000
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Financial Advisor Contract

Addition of \$52,000 in non-personnel expenditures for an as-needed financial advisor for advisory services for non-bond transaction related needs, including complex and out of ordinary financing issues, credit, and financial market analyses. The new SEC Rule requires that investment banks will be prohibited to provide customized financial solutions for public agencies unless the public agency has a municipal advisor in a fiduciary capacity. Having an as-needed financial advisor is expected to satisfy the SEC Rule requirement for the City to receive any personalized information from investment banks.

Economic Development

<i>FTE Adjustment:</i>	2.00
<i>Expenditure Adjustment:</i>	\$870,514
<i>Revenue Adjustment:</i>	\$50,000

Economic Development Director

Addition of 1.00 Economic Development Director and \$218,522 in associated personnel expenditures to lead the newly restructured Economic Development Department offset by

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a reduction of a Deputy Director in the Planning and Neighborhoods Department for a net impact of \$12,930 to the General Fund.

Sustainability Program Manager

Addition of 1.00 Program Manager and \$201,992 in associated personnel expenditures to provide leadership and coordination across departments for Climate Action Plan implementation and related sustainability initiatives including mobility, energy efficiency and conservation efforts. This position will also promote and foster the industry within the City's emerging sustainability sector through support for company retention, expansion, and trade development, as well as startup support for entrepreneurs.

Homeless Triage Beds

Addition of \$150,000 in non-personnel expenditures to provide 25 triage beds to be utilized by the San Diego Police Department Homeless Outreach Team (HOT). These beds will help HOT officers better connect individuals with an emergency bed. Many homeless service providers require minimum admittance criteria be met, which takes multiple days to process. Minimum admittance standards make it challenging to serve clients with an immediate need. The addition of 25 beds will create a pathway that will help assist HOT Team Officers better serve homeless individuals. After providing a preliminary assessment, HOT Officers will then coordinate with local service providers to connect clients with permanent supportive housing.

CONNECT2Careers

Reduction of \$50,000 in non-personnel expenditures for the CONNECT2Careers youth summer employment program. This amount will now be funded by the TOT Economic Development Programs allocation, rather than directly from the General Fund. Funding of \$200,000 is included in the Fiscal Year 2015 Proposed General Fund Budget for this program.

National Geographic Film Support

Addition of \$50,000 in one-time non-personnel expenditures and offsetting revenue for the National Geographic's "Smart World Cities" program featuring San Diego.

Transfer to Civic San Diego

Addition of \$225,000 for the formation of a Public-Private Partnership Transit Oriented Development Fund, in conjunction with the Housing Commission. The fund is anticipated to be approximately \$50 to \$100 million with an emphasis on affordable housing, retail/commercial, infrastructure, economic growth and social benefits. This funding will provide seed money for staff time and consultant costs to conduct outreach in the affected communities and to prepare the necessary financial modeling.

In addition, \$75,000 in non-personnel expenditures is included in the May Revision to develop reuse opportunities for the old Main Library.

Environmental Services

FTE Adjustment: (0.70)
Expenditure Adjustment: (\$59,719)

Communications Department Restructure

Transfer of 0.70 Public Information Officer and \$59,719 in associated personnel expenditures as a result of the Communications Department restructure.

Financial Management

Expenditure Adjustment: \$22,703

Non-Discretionary Adjustment

Addition of \$22,703 in non-personnel expenditures for an adjustment to non-discretionary electrical utility expenditures.

Fire-Rescue

Net FTE Adjustment: (2.30)
Net Expenditure Adjustment: \$1,081,894
Revenue Adjustment: \$147,133

Personal Protective Equipment

Addition of \$441,000 in non-personnel expenditures to provide funding for the purchase and/or replacement of personal protective equipment (PPE) for firefighters.

Emergency Operations Equipment

Addition of \$227,403 in non-personnel expenditures to fund the replacement of aging or underpowered vehicle extrication tools or other rescue tools that are not compatible with new apparatus; purchase of a Paratach Trench Shoring System for a second Fire-Rescue apparatus to expedite a life threatening rescue; replacement of 244 breathing apparatus bottles; and replacement of 10 aging power units and spreaders/cutters.

Revenue Adjustment

Addition of \$143,000 in revenue associated with a reimbursable Regional Maritime Emergency Preparedness Manager/Lifeguard Sergeant through the Urban Area Security Initiative federal grant.

Safety Sales Tax

Addition of \$4,133 in safety sales tax revenue based on revised revenue projections.

Windansea Lifeguard

Addition of 1.00 Lifeguard III and \$115,395 in associated personnel expenditures at Windansea beach for summer months and at the Boating Safety Unit in non-summer

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months. This position is offset by a reduction of 3.30 Lifeguard 1 hourly support and \$121,979 in associated personnel expenditures, resulting in a net reduction of \$6,584.

Fire Vessel Repair

Addition of \$60,000 in one-time non-personnel expenditures for the emergency repair of one fire boat used by the Lifeguard Division, which is out of service due to engine malfunction.

Defined Contribution Retirement Plan Adjustment

Addition of \$310,075 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

Library

FTE Adjustment: (1.00)

Expenditure Adjustment: (\$118,233)

Communications Department Restructure

Transfer of 1.00 Senior Public Information Officer and \$118,233 in associated personnel expenditures as a result of the Communications Department restructure.

Neighborhood Services

Net Expenditure Adjustment: \$54,841

Reclassification of Executive Director

Addition of 1.00 Executive Director and \$183,326 in associated personnel expenditures, offset by the reduction of 1.00 Senior Department Human Resources Analyst and \$128,485 in associated personnel expenditures, for a net increase of \$54,841 to restore a full-time, single focus position for the Citizens' Review Board on Police Practices. This will allow the Executive Director for the Human Relations Commission to return to full-time, single focus as well.

Office of the Mayor

FTE Adjustment: 2.00

Expenditure Adjustment: \$248,290

Mayor Representative 2s

Addition of 2.00 Mayor Representative 2s and \$248,290 in associated personnel expenditures to support the Office of the Mayor.

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Park & Recreation

<i>FTE Adjustment:</i>	<i>(0.30)</i>
<i>Expenditure Adjustment:</i>	<i>\$2,324,368</i>
<i>Revenue Adjustment:</i>	<i>\$720,597</i>

Park & Recreation Capital Improvement Projects

Addition of \$1.7 million in General Fund contributions to fully fund the following Park & Recreation CIP projects:

- Wightman Street Neighborhood Park**
Addition of \$970,000 for the development of Wightman Street Neighborhood Park on 0.9 acres of parkland. The park development will also include the implementation of the Chollas Creek Enhancement Program for Auburn Creek which is located on site.
- Silver Wing Neighborhood Park Sports Field and Security Lighting**
Addition of \$600,000 for the construction of security lighting system at Silver Wing Neighborhood Park.
- Trail for All People**
Addition of \$100,000 for the construction of a 1,300 linear foot paved trail to accommodate people of all physical abilities. The trail will be located on an existing unpaved trail alignment within the Black Mountain Open Space Park off of Miner's Ridge Loop staging area.
- Tierrasanta Community Park Sports Field Lighting**
Addition of \$47,000 for the construction of a sport lighting system for the multi-purpose sports fields and associated accessibility work at the Tierrasanta Community Park.

La Jolla Bird Cleanup

Addition of \$50,000 in non-personnel expenditures for the removal of bird guano in La Jolla Cove. Given the concerns for public health and welfare, funding is provided to ensure year-round and as-needed spraying of a biodegradable microbial cleaner as well as other options to reduce the odor.

Support for Brush Management

Addition of \$500,000 in non-personnel expenditures to support the increased contractual cost for brush management. This increase fully funds the amounts requested by the Park & Recreation Department for brush contract services.

San Ysidro Park Funding Reallocation

Reduction of 0.30 Grounds Maintenance Worker and \$19,168 in associated personnel expenditures due to the demolition of the San Ysidro Fire Station not occurring in Fiscal

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Year 2015 as originally anticipated. The budget of \$19,168 included in the Fiscal Year 2015 Proposed Budget will be reallocated for critical repairs of park roads and parking lots in the San Ysidro community, resulting in a net zero budget impact.

Defined Contribution Retirement Plan Adjustment

Addition of \$57,368 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

Transient Occupancy Tax Reimbursement

Addition of \$720,597 in revenue for Transient Occupancy Tax (TOT) reimbursements for tourism-related expenditures as a result of higher projected TOT receipts in Fiscal Year 2014.

Planning and Neighborhoods

FTE Adjustment: (2.00)

Net Expenditure Adjustment: (298,056)

Communications Department Restructure

Transfer of 1.00 Graphic Designer and \$94,221 in associated personnel expenditures to the Communications Department as a result of the Communications Department restructure.

Reclassification of Associate Planner to Assistant Traffic Engineer

Addition of 1.00 Assistant Traffic Engineer and \$103,281 in associated personnel expenditures, offset by the reduction of 1.00 Associate Planner and \$101,524 in associated personnel expenditures added in the Fiscal Year 2015 Proposed Budget, for a net increase of \$1,757 to better support community plan updates, amendments, and grant projects.

Deputy Director Reduction

Reduction of 1.00 Deputy Director and \$205,592 in associated personnel expenditures to offset the addition of a Director in the Economic Development Department for a net impact of \$12,930 to the General Fund.

Police

Expenditure Adjustment: \$2,580,830

Revenue Adjustment: \$4,132

Safety Sales Tax

Addition of \$4,132 in safety sales tax revenue based on revised revenue projections.

County of San Diego Animal Services Contract

Addition of \$461,000 in non-personnel expenditures for increased contractual costs determined by the County of San Diego for animal services.

Helicopter Maintenance Support

Addition of \$1.5 million in non-personnel expenditures for the General Fund support of helicopter maintenance and fuel expenditures related to the Air Support Unit due to anticipated insufficient funding of these expenditures from the Seized Asset Funds in Fiscal Year 2015.

Defined Contribution Retirement Plan Adjustment

Addition of \$619,830 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

Public Utilities - General Fund

Expenditure Adjustment: **\$254,100**

San Dieguito River Park JPA

Addition of \$254,100 in non-personnel expenditures for the San Dieguito River Park Joint Powers Authority (JPA).

Public Works – General Services

Expenditure Adjustment: **\$535,346**

Reclassification of Facilities Positions

Net addition of \$35,346 in personnel expenditures associated with the reclassification of 7.00 FTE positions added in the Fiscal Year 2015 Proposed Budget to provide citywide facilities maintenance support.

Relocation/Tenant Improvements

Addition of \$500,000 in non-personnel expenditures for the following tenant improvements and relocation of staff:

- Build-out of the City Administration Building's Fourth Floor to accommodate the restructure of the Communications Department
- Relocation of the Public Works Department staff from the Executive Complex to 525 B Street
- Relocation of the City Planning Division to the Executive Complex space vacated by the Public Works Department staff

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Honorable Council President Todd Gloria and Members of the City Council

May 20, 2014

Real Estate Assets

Expenditure Adjustment: (\$22,703)

Non-Discretionary Adjustment

Reduction of \$22,703 in non-personnel expenditures for the adjustment to non-discretionary electrical utility expenditures.

Transportation & Storm Water

FTE adjustment: (4.00)

Net Expenditure Adjustment: \$818,288

Communications Department Restructure

Transfer of 1.00 Supervising Public Information Officer, 2.00 Senior Public Information Officer, and 1.00 Public Information Officer and \$416,587 in associated personnel expenditures as a result of the Communications Department restructure.

Installation of City Street Lights

Addition of \$1.0 million in non-personnel expenditures for the General Fund contribution to CIP for the installation of street lights citywide.

Trench Cut Fees

Addition of \$175,000 in non-personnel expenditures for the transfer of trench cut fees collected in the General Fund to the Utilities Undergrounding Fund. Trench cut fees are assessed by the Development Services Department to SDG&E for the trenching of City Streets and are collected by the General Fund through the franchise fee.

Defined Contribution Retirement Plan Adjustment

Addition of \$59,875 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

NON-GENERAL FUNDS

Airports Fund

FTE Adjustment: 1.00

Expenditure Adjustment: \$120,064

Property Agent

Addition of 1.00 Property Agent and \$120,064 in personnel expenditures to manage the department's portfolio of tenants.

Central Stores Fund

Expenditure Adjustment: (\$70)

Non-Discretionary Adjustment

Reduction of \$70 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

Development Services Fund

FTE Adjustment: (2.00)
Net Expenditure Adjustment: \$165,528
Revenue Adjustment: \$2,809,995

Development Fee Revenue

Addition of \$2.8 million in development fee revenues based on improving economy and higher revenue trends.

Operating Reserve Contribution

Addition of \$158,226 in non-personnel expenditures for the operating reserve contribution in order to meet the reserve target level for Fiscal Year 2015 based on the revised City Reserve Policy.

Defined Contribution Retirement Plan Adjustment

Addition of \$52,064 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

Communications Department Restructure

Transfer of 1.00 Supervision Public Information Officer, 1.00 Senior Public Information Officer and \$223,811 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure and an increase of \$179,049 in non-personnel expenditures for a net reduction of \$44,762 in expenditures.

Energy Conservation Program Fund

Expenditure Adjustment: \$100,000

Regional Energy Network Consultant

Addition of \$100,000 in non-personnel expenditures for consultant costs to support the formation of the Regional Energy Network along with other local government agencies in order to establish goals that will promote market transformations for energy saving technologies, create jobs, and invest ratepayer funds strategically for the benefit of local communities.

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Honorable Council President Todd Gloria and Members of the City Council
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Engineering & Capital Projects Fund

FTE Adjustment: (4.00)
Net Expenditure Adjustment: (\$75,601)

Communications Department Restructure

Transfer of 2.00 Senior Public Information Officers, 2.00 Public Information Officers and \$378,007 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure and an increase of \$302,406 in non-personnel expenditures for a net reduction of \$75,601 in expenditures.

Facilities Financing Fund

Expenditure Adjustment: (\$14,579)

Non-Discretionary Adjustment

Reduction of \$14,579 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

Fire/Emergency Medical Services Transportation Program Fund

Expenditure Adjustment: \$75,000
Revenue Adjustment: \$55,315

San Diego Project Heartbeat Revenue

Addition of \$55,315 in revenue associated with San Diego Project Heartbeat (SDPH) based on revised revenue projections for Fiscal Year 2015. In Fiscal Year 2015, a new marketing partnership will be in effect which governs the marketing relationship between SDPHB and an Automatic External Defibrillator (AED) vendor. An element of the marketing partnership includes an AED marketing subsidy that is distributed quarterly by the vendor to SDPHB. The anticipated increase in this subsidy as detailed in the SDPHB Marketing Partnership RFP requires an addition to Fiscal Year 2015 revenue projections.

San Diego Project Heartbeat Website

Addition of \$75,000 in one-time expenditures for professional and technical services associated with developing a website for San Diego Project Heartbeat. As a result of the transition of San Diego Project Heartbeat from Rural Metro of San Diego (formerly San Diego Medical Services Enterprise) to the Fire-Rescue Department, website services that were formerly contracted through Rural Metro will be performed by the City's established vendor, CGI. This one-time cost involves re-writing all web-based software application functionality from a non-supported operating system to a City IT standard.

Fleet Services Operating Fund*Expenditure Adjustment:* **\$233,890****Miramar Place Facility Rent**

Addition of \$233,890 in non-personnel expenditures for the reimbursement to the Environmental Services Department for rent, utilities, shop equipment maintenance, and consumables expenditures related to Fleet Division's use of the Miramar Place Facility to perform vehicle repair and maintenance services on heavy duty fire apparatus based on a new Service Level Agreement effective July 1, 2014.

Golf Course Fund*FTE Adjustment:* **(1.00)***Net Expenditure Adjustment:* **(\$19,742)****Communications Department Restructure**

Transfer of 1.00 Senior Public Information Officer and \$98,709 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure and an increase of \$78,967 in non-personnel expenditures for a net reduction of \$19,742 in expenditures.

Information Technology Fund*FTE Adjustment:* **3.00***Net Expenditure Adjustment:* **\$1,147,906****Website Update**

Addition of \$500,000 in non-personnel expenditures for the upgrade of the City's website; the total amount from the General Fund and non-general funds was transferred to the Information Technology Fund in Fiscal Year 2014. While the website upgrade project began in Fiscal Year 2014, the full cost will be incurred in Fiscal Year 2015.

Information Technology (IT) Contracts Manager

Addition of 1.00 IT Contracts Manager, \$229,991 in personnel expenditures, and \$1,700 in non-personnel expenditures to lead the IT Contract Management Section and provide contract review, negotiations, relationship management, RFPs and contract renewals.

Assistant Information Technology (IT) Contract Managers

Addition of 2.00 Assistant IT Contract Managers, \$379,462 in personnel expenditures, and \$3,400 in non-personnel expenditures to assist the IT Contract Manager and oversee daily contract management including work orders, change orders, contract document management invoice reconciliation, cost analysis, and compliance.

SAP and IT Security Training

Addition of \$50,000 in non-personnel expenditures for SAP system and IT security training for the Department of Information Technology.

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May 20, 2014

Non-Discretionary Adjustment

Reduction of \$16,647 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

Local Enforcement Agency Fund

Expenditure Adjustment: (\$2,099)

Non-Discretionary Adjustment

Reduction of \$2,099 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

Maintenance Assessment District (MAD) Funds

Net Expenditure Adjustment: \$149,415

A net addition of \$149,415 in non-personnel expenditures is included in various MAD Funds to reflect revised projections for Fiscal Year 2015.

Mission Bay Improvements Fund

Revenue Adjustment: (\$11,353)

Reduction of \$11,353 to reallocate revenues from Mission Bay Park lease revenues appropriately according to the City Charter Section 55.2.

OneSD Support Fund

Expenditure Adjustment: (\$979)

Non-Discretionary Adjustment

Reduction of \$979 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

Public Art Fund

Net Expenditure Adjustment: \$80,873

Revenue Adjustment: \$83,852

Public Art Fund Allocation

A budget neutral redistribution of \$83,852 within the Arts, Culture, and Community Festivals allocation from the TOT Fund to the Public Art Fund, and associated revenue of \$83,852 from the TOT Fund, to support artwork repair, conservation, installation, and other professional art collections management practices.

Interoffice Mail Reallocation

Reduction of \$2,979 in non-discretionary interoffice mail expenditures reallocated to the Transient Occupancy Tax Fund.

QUALCOMM Stadium Operations Fund

<i>FTE Adjustment:</i>	<i>1.00</i>
<i>Revenue Adjustment:</i>	<i>\$100,000</i>
<i>Expenditure Adjustment:</i>	<i>\$131,995</i>

Stadium Events Coordinator

Addition of 1.00 Stadium Event Coordinator, \$131,995 in associated expenditures, and \$100,000 in associated revenue to assist in administering policies and programs, including event management.

Recycling Fund

<i>FTE Adjustment:</i>	<i>(0.62)</i>
<i>Net Expenditure Adjustment:</i>	<i>(\$10,647)</i>

Communications Department Restructure

Transfer of 0.62 Public Information Officer and \$52,982 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure and an increase of \$42,335 in non-personnel expenditures for a net reduction of \$10,647 in expenditures.

Refuse Disposal Fund

<i>FTE Adjustment:</i>	<i>(0.68)</i>
<i>Net Expenditure Adjustment:</i>	<i>(\$11,572)</i>

Communications Department Restructure

Transfer of 0.68 Public Information Officer and \$58,004 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure and an increase of \$46,432 in non-personnel expenditures for a net reduction of \$11,572 in expenditures.

Regional Park Improvements Fund

<i>Revenue Adjustment:</i>	<i>\$11,353</i>
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Addition of \$11,353 to reallocate revenues from Mission Bay Park lease revenues according to the City Charter Section 55.2.

Risk Management Administration Fund

<i>Revenue Adjustment:</i>	<i>(\$750,000)</i>
<i>Expenditure Adjustment:</i>	<i>\$158,366</i>

Use of Fund Balance

Reduction of \$750,000 in revenue to reflect the one-time use of fund balance in Fiscal Year 2015.

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Honorable Council President Todd Gloria and Members of the City Council

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Investment Consulting Services

Addition of \$100,000 in non-personnel expenditures for investment consulting services for the Defined Contribution Plan's Trustee Board.

Comptroller Services

Addition of \$60,000 for a Service Level Agreement with the City Comptroller for accounting services.

Non-Discretionary Adjustment

Reduction of \$1,634 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

Seized Asset Funds

Net Expenditure Adjustment: \$289,773

Net Revenue Adjustment: \$190,000

A net addition of \$279,773 in non-personnel expenditures and \$190,000 associated revenue is included in various Seized Assets Funds to reflect revised projections for Fiscal Year 2014.

Sewer Funds

FTE Adjustment: (3.09)

Revenue Adjustment: \$6,000,000

Net Expenditure Adjustment: (\$1,634,733)

Sewer Capacity Fee Revenue

Addition of \$6.0 million in sewer capacity revenues based on improving economy and strong revenue trends.

State Revolving Fund (SRF) Debt Service

Reduction of \$2.3 million in non-personnel expenditures for SRF debt service payments for the Point Loma Grit Processing Improvements and the Pipe Rehab T-1 projects. Debt service payments will begin in Fiscal Year 2016 based on revised construction timelines.

Facility/Infrastructure Condition Assessments

Addition of \$306,000 in non-personnel expenditures for facility and infrastructure condition assessments.

Purchasing and Contracting Services

Addition of \$153,000 in non-personnel expenditures associated with a Service Level Agreement with the Purchasing & Contracting Department for staff dedicated to Public Utilities.

Support for Potable Reuse Program

Addition of \$247,500 in non-personnel expenditures to support the Potable Reuse Program and perform the Otay Reservoir Study as part of the San Vicente Reservoir Modeling for Pump-Storage Project.

Communications Department Restructure

Transfer of 0.51 Graphic Designer, 0.27 Multimedia Production Specialist, 1.53 Supervising Public Information Officer, 0.78 Senior Public Information Officer and \$351,019 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure, and an increase of \$320,937 in non-personnel expenditures for a net reduction of \$30,082 in expenditures.

Transient Occupancy Tax (TOT) Fund

<i>FTE Adjustment:</i>	<i>1.00</i>
<i>Net Expenditure Adjustment:</i>	<i>\$1,015,546</i>
<i>Revenue Adjustment:</i>	<i>\$1,096,777</i>

Revised Non-General Fund TOT Revenue

Addition of \$1.1 million in TOT revenue based on Fiscal Year 2014 TOT receipts.

One Cent Discretionary Allocation

Addition of \$219,355 in non-personnel One Cent Discretionary TOT to support the General Fund.

Four Cent Tourism Reimbursement

Addition of \$770,597 in Four Cent Discretionary TOT transfer out to reimburse the General Fund for tourism-related expenses.

Public Art Fund Allocation

A budget neutral redistribution of \$83,852 within the Arts, Culture, and Community Festivals allocation from the TOT Fund to the Public Art Fund for artwork repair, conservation, installation, and other professional art collections management practices.

Associate Management Analyst

Addition of 1.00 Associate Management Analyst and \$106,825 in associated expenditures to provide support for Special Events.

Interoffice Mail Reallocation

Addition of \$2,979 in non-discretionary interoffice mail expenditures reallocated from the Public Art Fund.

Non-Discretionary Adjustment

Reduction of \$358 in non-discretionary rent expense as result of a recalculation of the distribution of Executive Complex rent expenses between funds.

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The May Revision includes *Attachment 4* (Excerpt from Council Policy 100-03: Transient Occupancy Tax) and *Attachment 5* (Transient Occupancy Tax Fund Allocations) for Fiscal Year 2015. Council Policy 100-03 directs the distribution and appropriation of TOT funds.

- ***Arts, Culture, and Community Festivals – Programs***
Allocation of \$7.5 million to Arts, Culture, and Community Festivals for programs and organizations in the categories of Organizational Support and Creative Communities.
- ***Economic Development - Programs***
Allocation of \$2.1 million to Economic Development Programs for programs and organizations in the areas of Citywide Economic Development and Economic Development and Tourism Support.

Water Utility Fund

<i>FTE Adjustment:</i>	<i>(3.91)</i>
<i>Net Expenditure Adjustment:</i>	<i>\$846,071</i>
<i>Revenue Adjustment:</i>	<i>\$8,637,900</i>

State Revolving Fund (SRF) Revenue

Addition of \$4.6 million in SRF revenue proceeds anticipated to be received in Fiscal Year 2015 based on revised construction timelines.

Water Capacity Fee Revenue

Addition of \$4.0 million in water capacity revenues based on improving economy and strong revenue trends.

Facility/Infrastructure Condition Assessments

Addition of \$294,000 for facility and infrastructure condition assessment projects.

Support for Potable Reuse Program

Addition of \$247,500 in non-personnel expenditures to support the Potable Reuse Program and perform the Otay Reservoir Study as part of the San Vicente Reservoir Modeling for Pump-Storage Project.

Lead and Asbestos Removal

Addition of \$200,000 in non-personnel expenditures for the removal of lead and asbestos at Public Utility Water Branch-owned facilities in San Pasqual.

Purchasing and Contracting Services

Addition of \$147,000 in non-personnel expenditures associated with a Service Level Agreement with the Purchasing & Contracting Department for staff dedicated to Public Utilities.

Communications Department Restructure

Transfer of 0.49 Graphic Designer, 0.73 Multimedia Production Specialist, 1.47 Supervising Public Information Officer, 1.22 Senior Public Information Officer and \$435,590 in associated personnel expenditures to the General Fund as a result of the Communications Department restructure and an increase of \$308,350 in non-personnel expenditures for a net reduction of \$127,240 in expenditures.

Defined Contribution Retirement Plan Adjustment

Addition of \$84,811 in personnel expenditures to reflect Fiscal Year 2015 projected personnel expenditures for employees eligible to participate in the defined contribution retirement plan.

Zoological Exhibits Maintenance Fund

Net Expenditure Adjustment: **\$153,000**

Revenue Adjustment: **\$153,000**

Adjustment to Zoological Exhibits

Addition of \$153,000 in expenditures and revenues to reflect revised projections for Fiscal Year 2015.

CAPITAL IMPROVEMENTS PROGRAM (CIP)

Adjustments to capital improvement projects are primarily due to the identification of additional funding, re-prioritization, or correction of proposed allocations. The Fiscal Year 2015 May Revision CIP adjustments total an increase of \$12.3 million to the Fiscal Year 2015 Proposed CIP Budget. *Attachment 6 - FY15 CIP May Revision Adjustments* provides an itemized list of the changes by project along with a brief description of each change.

Underfunded Projects (Waterfall List)

The following projects received funding in the May Revision and therefore have been removed from the Underfunded Projects list since the projects are now fully funded: Old Otay Mesa Road – Westerly (S00870) received \$2.2 million in TransNet funding, Trail for All People (S13001) received \$100,000 in General Fund funding, and Silver Wing NP Sports Field/Lighting (S11051) received \$600,000 in General Fund funding. Also, three new projects have been added to the Underfunded Projects list including Resurfacing of City Streets (AID00005), New Walkways (AIK00001), and Concrete Streets (AID00006). *Attachment 7 - FY15 Underfunded Projects (Waterfall List)* includes the updated list.

Planned Construction Contracts

The list of projects anticipated to move forward to bid and award construction contracts during Fiscal Year 2015 has been updated as shown in *Attachment 8 – FY 2015 Construction Contracts List*.

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Attachments:

1. FY 2015 General Fund Reserve Estimates
2. FY 2015 Mayor's May Revision Summary Table
3. FY 2015 Public Liability Reserve Estimates
4. Excerpt from Council Policy 100-03: Transient Occupancy Tax
5. FY 2015 Transient Occupancy Tax Fund Allocations
6. FY 2015 CIP May Revision Adjustments
7. FY 2015 Underfunded Projects (Waterfall List)
8. FY 2015 Construction Contracts List

cc: Honorable Mayor Kevin Faulconer
Stephen Puetz, Chief of Staff
Stacey LoMedico, Assistant Chief Operating Officer
Tony Heinrichs, Deputy Chief Operating Officer
Jeff Sturak, Deputy Chief Operating Officer
Ron Villa, Deputy Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Brian Pepin, Director of Council Affairs
Department Directors
Tracy McCraner, Financial Management Director
Julio Canizal, Deputy Director of Financial Management
Irina Kumits, Deputy Director of Financial Management
Financial Management Staff

FY 2015 General Fund Reserve Estimates

in millions

Description	Amount	Revenue % ¹
<hr/>		
FY 2013 Ending Unrestricted Fund Balance	\$ 179.5	16.8%
FY 2014 Projected Activity		
Projected Revenue	1,268.1	
Projected Expenditures	(1,258.3)	
	\$ 9.9	
Loan to Successor Agency	\$ (21.1)	
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FY 2014 Projected Ending Unrestricted Fund Balance	\$ 168.3	15.7%
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Emergency Reserve	85.6	8.0%
Stability Reserve	64.2	6.0%
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FY 2015 Projected Reserve Level	\$ 149.8	14.0%
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FY 2014 Projected Excess Equity ²	18.5	
Community Projects, Programs and Services	(1.7)	
Public Liability Reserve Contribution	(12.8)	
FY 2015 Projected Excess Equity	\$ 4.0	

¹ The General Fund Reserve percentage calculation and measurement target is based on the most recent three year average of annual audited General Fund operating revenues.

² Excess Equity is spendable and unrestricted fund balance that is not otherwise assigned to General Fund Reserves and is available for appropriation. Excess Equity is most commonly a non-recurring source of revenue.

FY 2015 MAYOR'S MAY REVISION SUMMARY TABLE

GENERAL FUND

DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
Analytics and Performance Management	Analytics and Performance Management Director	1.00	\$ 218,522	\$ -	\$ 218,522	\$ -
Analytics and Performance Management Total		1.00	\$ 218,522	\$ -	\$ 218,522	\$ -
City Attorney	Defined Contribution Retirement Plan Adjustment	-	\$ 105,494	\$ -	\$ 105,494	\$ -
	Revenue Projection Reduction	-	\$ -	\$ -	\$ -	\$ (1,400,000)
City Attorney Total		-	\$ 105,494	\$ -	\$ 105,494	\$ (1,400,000)
City Clerk	Non-Standard Hour Positions	0.28	\$ 11,429	\$ -	\$ 11,429	\$ -
City Clerk Total		0.28	\$ 11,429	\$ -	\$ 11,429	\$ -
City Treasurer	Public Information Clerk Reduction	(1.00)	\$ (74,130)	\$ -	\$ (74,130)	\$ (74,130)
City Treasurer Total		(1.00)	\$ (74,130)	\$ -	\$ (74,130)	\$ (74,130)
	Deferred Capital Debt Service	-	\$ -	\$ (1,700,000)	\$ (1,700,000)	\$ -
	Labor Contracts Negotiation	-	\$ -	\$ 50,000	\$ 50,000	\$ -
	County of San Diego Property Tax Administration Fees	-	\$ -	\$ 318,217	\$ 318,217	\$ -
	Public Liability Fund Reserve Transfer	-	\$ -	\$ 12,800,000	\$ 12,800,000	\$ -
	Regional Water Quality Control Board Settlement	-	\$ -	\$ 246,367	\$ 246,367	\$ -
	Rent Expenditure	-	\$ -	\$ 118,081	\$ 118,081	\$ -
Citywide Program Expenditures Total		-	\$ -	\$ 11,832,665	\$ 11,832,665	\$ -
Communications	Communications Department Restructure	22.00	\$ 2,286,887	\$ 60,000	\$ 2,346,887	\$ 1,372,033
	Communications Director	1.00	\$ 218,522	\$ -	\$ 218,522	\$ -
	Senior Public Information Officer	1.00	\$ 98,709	\$ -	\$ 98,709	\$ 80,000
Communications Total		24.00	\$ 2,604,118	\$ 60,000	\$ 2,664,118	\$ 1,452,033
Council Administration	Council Representative 1	1.00	\$ 85,283	\$ -	\$ 85,283	\$ -
	Information Systems Analyst 3	1.00	\$ 126,742	\$ -	\$ 126,742	\$ -
Council Administration Total		2.00	\$ 212,025	\$ -	\$ 212,025	\$ -
Council District 1 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (14,547)	\$ (14,547)	\$ -
Council District 1 - CPPS Total		-	\$ -	\$ (14,547)	\$ (14,547)	\$ -
Council District 2 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 64,069	\$ 64,069	\$ -
Council District 2 - CPPS Total		-	\$ -	\$ 64,069	\$ 64,069	\$ -
Council District 3 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (151,177)	\$ (151,177)	\$ -
Council District 3 - CPPS Total		-	\$ -	\$ (151,177)	\$ (151,177)	\$ -
Council District 4 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 3,231	\$ 3,231	\$ -
Council District 4 - CPPS Total		-	\$ -	\$ 3,231	\$ 3,231	\$ -
Council District 5 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (21,576)	\$ (21,576)	\$ -
Council District 5 - CPPS Total		-	\$ -	\$ (21,576)	\$ (21,576)	\$ -
Council District 6 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (909)	\$ (909)	\$ -
Council District 6 - CPPS Total		-	\$ -	\$ (909)	\$ (909)	\$ -
Council District 7 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (24,713)	\$ (24,713)	\$ -
Council District 7 - CPPS Total		-	\$ -	\$ (24,713)	\$ (24,713)	\$ -
Council District 8 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ 10,083	\$ 10,083	\$ -
Council District 8 - CPPS Total		-	\$ -	\$ 10,083	\$ 10,083	\$ -
Council District 9 - CPPS	Community Projects, Programs, and Services Adjustment	-	\$ -	\$ (4,324)	\$ (4,324)	\$ -
Council District 9 - CPPS Total		-	\$ -	\$ (4,324)	\$ (4,324)	\$ -
Debt Management	Financial Advisor Contract	-	\$ -	\$ 52,000	\$ 52,000	\$ -
Debt Management Total		-	\$ -	\$ 52,000	\$ 52,000	\$ -
	CONNECT2Careers	-	\$ -	\$ (50,000)	\$ (50,000)	\$ -
	Economic Development Director	1.00	\$ 218,522	\$ -	\$ 218,522	\$ -
	Homeless Triage Beds	-	\$ -	\$ 150,000	\$ 150,000	\$ -
	National Geographic Film Support	-	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
	Sustainability Program Manager	1.00	\$ 201,992	\$ -	\$ 201,992	\$ -
	Transfer to Civic San Diego	-	\$ -	\$ 300,000	\$ 300,000	\$ -
Economic Development Total		2.00	\$ 420,514	\$ 450,000	\$ 870,514	\$ 50,000
Environmental Services	Communications Department Restructure	(0.70)	\$ (59,719)	\$ -	\$ (59,719)	\$ -
Environmental Services Total		(0.70)	\$ (59,719)	\$ -	\$ (59,719)	\$ -
Financial Management	Non-Discretionary Adjustment	-	\$ -	\$ 22,703	\$ 22,703	\$ -
Financial Management Total		-	\$ -	\$ 22,703	\$ 22,703	\$ -

FY 2015 MAYOR'S MAY REVISION SUMMARY TABLE

GENERAL FUND	DEPARTMENT TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
		Defined Contribution Retirement Plan Adjustment	-	\$ 310,075	\$ -	\$ 310,075	\$ -
		Emergency Operations Equipment	-	\$ -	\$ 277,403	\$ 277,403	\$ -
		Fire Vessel Repair	-	\$ -	\$ 60,000	\$ 60,000	\$ -
Fire-Rescue		Personal Protective Equipment	-	\$ -	\$ 441,000	\$ 441,000	\$ -
		Revenue Adjustment	-	\$ -	\$ -	\$ -	\$ 143,000
		Safety Sales Tax	-	\$ -	\$ -	\$ -	\$ 4,133
		Windansea Lifeguard	-	\$ -	\$ -	\$ -	\$ -
Fire-Rescue Total			(2.30)	\$ (6,584)	\$ -	\$ (6,584)	\$ -
General Fund Departments			(2.30)	\$ 303,491	\$ 778,403	\$ 1,081,894	\$ 147,133
General Fund Departments Total		Risk Management Administration Contribution	-	\$ (494,875)	\$ -	\$ (494,875)	\$ -
			-	\$ (494,875)	\$ -	\$ (494,875)	\$ -
Library		Communications Department Restructure	(1.00)	\$ (118,233)	\$ -	\$ (118,233)	\$ -
Library Total			(1.00)	\$ (118,233)	\$ -	\$ (118,233)	\$ -
Major Revenues		Property Tax Revenue	-	\$ -	\$ -	\$ -	\$ 7,173,188
		Property Transfer Tax Revenue	-	\$ -	\$ -	\$ -	\$ 20,948
		Reimbursement from Convention Center Phase III CIP	-	\$ -	\$ -	\$ -	\$ 500,000
		Transient Occupancy Tax (TOT) Revenue	-	\$ -	\$ -	\$ -	\$ 1,425,810
Major Revenues Total			-	\$ -	\$ -	\$ -	\$ 9,119,946
Neighborhood Services		Reclassification of Executive Director	-	\$ 54,841	\$ -	\$ 54,841	\$ -
Neighborhood Services Total			-	\$ 54,841	\$ -	\$ 54,841	\$ -
Office of the Mayor		Mayor Representative 2s	2.00	\$ 248,290	\$ -	\$ 248,290	\$ -
Office of the Mayor Total			2.00	\$ 248,290	\$ -	\$ 248,290	\$ -
		Defined Contribution Retirement Plan Adjustment	-	\$ 57,368	\$ -	\$ 57,368	\$ -
		La Jolla Bird Cleanup	-	\$ -	\$ 50,000	\$ 50,000	\$ -
		San Ysidro Park Funding Reallocation	(0.30)	\$ (19,168)	\$ 19,168	\$ -	\$ -
		Silver Wing Neighborhood Park Sports Field and Security Lighting Project	-	\$ -	\$ 600,000	\$ 600,000	\$ -
Park & Recreation		Support for Brush Management	-	\$ -	\$ 500,000	\$ 500,000	\$ -
		Tierrasanta Community Park Sports Field Lighting Project	-	\$ -	\$ 47,000	\$ 47,000	\$ -
		Trail for All People Project	-	\$ -	\$ 100,000	\$ 100,000	\$ -
		Transient Occupancy Tax Reimbursement	-	\$ -	\$ -	\$ -	\$ 720,597
		Wightman Street Neighborhood Park Project	-	\$ -	\$ 970,000	\$ 970,000	\$ -
Park & Recreation Total			(0.30)	\$ 38,200	\$ 2,286,168	\$ 2,324,368	\$ 720,597
		Communications Department Restructure	(1.00)	\$ (94,221)	\$ -	\$ (94,221)	\$ -
Planning and Neighborhoods		Deputy Director Reduction	(1.00)	\$ (205,592)	\$ -	\$ (205,592)	\$ -
		Reclassification of Associate Planner to Assistant Traffic Engineer	-	\$ 1,757	\$ -	\$ 1,757	\$ -
Planning and Neighborhoods Total			(2.00)	\$ (298,056)	\$ -	\$ (298,056)	\$ -
		County of San Diego Animal Services Contract	-	\$ -	\$ 461,000	\$ 461,000	\$ -
Police		Defined Contribution Retirement Plan Adjustment	-	\$ 619,830	\$ -	\$ 619,830	\$ -
		Helicopter Maintenance Support	-	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
		Safety Sales Tax	-	\$ -	\$ -	\$ -	\$ 4,132
Police Total			-	\$ 619,830	\$ 1,961,000	\$ 2,580,830	\$ 4,132
Public Utilities		San Diego River Park JPA	-	\$ -	\$ 254,100	\$ 254,100	\$ -
Public Utilities Total			-	\$ -	\$ 254,100	\$ 254,100	\$ -
Public Works - General Services		Reclassification of Facilities Positions	-	\$ 35,346	\$ -	\$ 35,346	\$ -
Public Works - General Services Total		Relocation/Tenant Improvements	-	\$ -	\$ 500,000	\$ 500,000	\$ -
Public Works - General Services Total			-	\$ 35,346	\$ 500,000	\$ 535,346	\$ -
Real Estate Assets		Non-Discretionary Adjustment	-	\$ -	\$ (22,703)	\$ (22,703)	\$ -
Real Estate Assets Total			-	\$ -	\$ (22,703)	\$ (22,703)	\$ -
Transportation & Storm Water		Communications Department Restructure	(4.00)	\$ (416,587)	\$ -	\$ (416,587)	\$ -
		Defined Contribution Retirement Plan Adjustment	-	\$ 59,875	\$ -	\$ 59,875	\$ -
		Installation of City Street Lights	-	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
		Trench Out Fees	-	\$ -	\$ 175,000	\$ 175,000	\$ -
Transportation & Storm Water Total			(4.00)	\$ (356,712)	\$ 1,175,000	\$ 818,288	\$ -
General Fund Total			19.98	\$ 3,470,375	\$ 19,209,473	\$ 22,679,848	\$ 10,019,711

NON-GENERAL FUNDS

FUND TITLE	BUDGET ADJUSTMENT	FTE	PE	NPE	EXP	REVENUE
Airports Fund	Property Agent	1.00	\$ 120,064	\$ -	\$ 120,064	\$ -
Airports Fund Total		1.00	\$ 120,064	\$ -	\$ 120,064	\$ -
Central Stores Fund	Non-Discretionary Adjustment	-	\$ -	\$ (70)	\$ (70)	\$ -
Central Stores Fund Total		-	\$ -	\$ (70)	\$ (70)	\$ -
Civita MAD Fund	Projected Non-Personnel Expenditures	-	\$ -	\$ (18,175)	\$ (18,175)	\$ -
Civita MAD Fund Total		-	\$ -	\$ (18,175)	\$ (18,175)	\$ -
Development Services Fund	Communications Department Restructure	(2.00)	\$ (223,811)	\$ 179,049	\$ (44,762)	\$ -
	Defined Contribution Retirement Plan Adjustment	-	\$ 52,064	\$ -	\$ 52,064	\$ -
	Development Fee Revenue	-	\$ -	\$ -	\$ -	\$ 2,809,995
	Operating Reserve Contribution	-	\$ -	\$ 158,226	\$ 158,226	\$ -
Development Services Fund Total		(2.00)	\$ (171,747)	\$ 337,275	\$ 165,528	\$ 2,809,995
Energy Conservation Program Fund	Regional Energy Network Consultant	-	\$ -	\$ 100,000	\$ 100,000	\$ -
Energy Conservation Program Fund Total		-	\$ -	\$ 100,000	\$ 100,000	\$ -
Engineering & Capital Projects Fund	Communications Department Restructure	(4.00)	\$ (378,007)	\$ 302,406	\$ (75,601)	\$ -
Engineering & Capital Projects Fund Total		(4.00)	\$ (378,007)	\$ 302,406	\$ (75,601)	\$ -
Facilities Financing Fund	Non-Discretionary Adjustment	-	\$ -	\$ (14,579)	\$ (14,579)	\$ -
Facilities Financing Fund Total		-	\$ -	\$ (14,579)	\$ (14,579)	\$ -
Fire/Emergency Medical Services Transport Program Fund	San Diego Project Heartbeat Revenue	-	\$ -	\$ -	\$ -	\$ 55,315
	San Diego Project Heartbeat Website	-	\$ -	\$ 75,000	\$ 75,000	\$ -
Fire/Emergency Medical Services Transport Program Fund Total		-	\$ -	\$ 75,000	\$ 75,000	\$ 55,315
Fleet Services Operating Fund	Miramar Place Facility Rent	-	\$ -	\$ 233,890	\$ 233,890	\$ -
Fleet Services Operating Fund Total		-	\$ -	\$ 233,890	\$ 233,890	\$ -
Golf Course Fund	Communications Department Restructure	(1.00)	\$ (98,709)	\$ 78,967	\$ (19,742)	\$ -
Golf Course Fund Total		(1.00)	\$ (98,709)	\$ 78,967	\$ (19,742)	\$ -
Information Technology Fund	Assistant Information Technology (IT) Contract Managers	2.00	\$ 379,462	\$ 3,400	\$ 382,862	\$ -
	Information Technology (IT) Contracts Manager	1.00	\$ 229,991	\$ 1,700	\$ 231,691	\$ -
	Non-Discretionary Adjustment	-	\$ -	\$ (16,647)	\$ (16,647)	\$ -
	SAP and IT Security Training	-	\$ -	\$ 50,000	\$ 50,000	\$ -
	Website Update	-	\$ -	\$ 500,000	\$ 500,000	\$ -
Information Technology Fund Total		3.00	\$ 609,453	\$ 538,453	\$ 1,147,906	\$ -
Local Enforcement Agency Fund	Non-Discretionary Adjustment	-	\$ -	\$ (2,099)	\$ (2,099)	\$ -
Local Enforcement Agency Fund Total		-	\$ -	\$ (2,099)	\$ (2,099)	\$ -
Metropolitan Sewer Utility Fund	Communications Department Restructure	(2.19)	\$ (247,018)	\$ 207,665	\$ (39,353)	\$ -
	Facility/Infrastructure Condition Assessments	-	\$ -	\$ 198,000	\$ 198,000	\$ -
	Purchasing and Contracting Services	-	\$ -	\$ 99,000	\$ 99,000	\$ -
	State Revolving Fund (SRF) Debt Service	-	\$ -	\$ (2,078,843)	\$ (2,078,843)	\$ -
	Support for Potable Reuse Program	-	\$ -	\$ 247,500	\$ 247,500	\$ -
Metropolitan Sewer Utility Fund Total		(2.19)	\$ (247,018)	\$ (1,326,678)	\$ (1,573,696)	\$ -
Mission Bay Improvements Fund	Revenue Adjustment	-	\$ -	\$ -	\$ -	\$ (11,353)
Mission Bay Improvements Fund Total		-	\$ -	\$ -	\$ -	\$ (11,353)
Municipal Sewer Revenue Fund	Communications Department Restructure	(0.90)	\$ (104,001)	\$ 113,272	\$ 9,271	\$ -
	Facility/Infrastructure Condition Assessments	-	\$ -	\$ 108,000	\$ 108,000	\$ -
	Purchasing and Contracting Services	-	\$ -	\$ 54,000	\$ 54,000	\$ -
	Sewer Capacity Fee Revenue	-	\$ -	\$ -	\$ -	\$ 6,000,000
	State Revolving Fund (SRF) Debt Service	-	\$ -	\$ (232,308)	\$ (232,308)	\$ -
Municipal Sewer Revenue Fund Total		(0.90)	\$ (104,001)	\$ 42,964	\$ (61,037)	\$ 6,000,000
Non-General Fund Departments	Risk Management Administration Contribution	-	\$ (255,125)	\$ -	\$ (255,125)	\$ -
Non-General Fund Departments Total		-	\$ (255,125)	\$ -	\$ (255,125)	\$ -
OneSD Support Fund	Non-Discretionary Adjustment	-	\$ -	\$ (979)	\$ (979)	\$ -
OneSD Support Fund Total		-	\$ -	\$ (979)	\$ (979)	\$ -
Public Art Fund	Interoffice Mail Reallocation	-	\$ -	\$ (2,979)	\$ (2,979)	\$ -
	Public Art Fund Allocation	-	\$ -	\$ 83,852	\$ 83,852	\$ 83,852
Public Art Fund Total		-	\$ -	\$ 80,873	\$ 80,873	\$ 83,852
QUALCOMM Stadium Operations Fund	Stadium Events Coordinator	1.00	\$ 131,995	\$ -	\$ 131,995	\$ 100,000
QUALCOMM Stadium Operations Fund Total		1.00	\$ 131,995	\$ -	\$ 131,995	\$ 100,000

FY 2015 MAYOR'S MAY REVISION SUMMARY TABLE

Attachment 2

NON-GENERAL FUNDS									
FUND TITLE		BUDGET ADJUSTMENT			FTE	PE	NPE	EXP	REVENUE
NON-GENERAL FUNDS	Recycling Fund	Communications Department Restructure	(0.62)	\$ (52,982)	\$ 42,335	\$ (10,647)	\$ -		
	Recycling Fund Total		(0.62)	\$ (52,982)	\$ 42,335	\$ (10,647)	\$ -		
	Refuse Disposal Fund	Communications Department Restructure	(0.68)	\$ (58,004)	\$ 46,432	\$ (11,572)	\$ -		
	Refuse Disposal Fund Total		(0.68)	\$ (58,004)	\$ 46,432	\$ (11,572)	\$ -		
	Regional Park Improvements Fund	Revenue Adjustment	-	\$ -	\$ -	\$ -	\$ 11,353		
	Regional Park Improvements Fund Total		-	\$ -	\$ -	\$ -	\$ 11,353		
	Risk Management Administration Fund	Comptroller Services	-	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ -	
		Investment Consulting Services	-	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	
		Non-Discretionary Adjustment	-	\$ -	\$ -	\$ (1,634)	\$ (1,634)	\$ -	
		Use of Fund Balance	-	\$ -	\$ -	\$ -	\$ -	\$ (750,000)	
Risk Management Administration Fund Total	Projected Non-Personnel Expenditures	-	\$ -	\$ 158,366	\$ 158,366	\$ 17,590	\$ (750,000)		
Scripps/Miramar Ranch MAD Fund		-	\$ -	\$ 17,590	\$ 17,590	\$ -	\$ -		
Scripps/Miramar Ranch MAD Fund Total		-	\$ -	\$ 17,590	\$ 17,590	\$ -	\$ -		
Seized Assets - California Fund	Revised Revenue and Expenditure Projections	-	\$ -	\$ 1,919	\$ 1,919	\$ 1,919	\$ 1,881		
Seized Assets - California Fund Total		-	\$ -	\$ 1,919	\$ 1,919	\$ 1,919	\$ 1,881		
Seized Assets - Federal DOJ Fund	Revised Revenue and Expenditure Projections	-	\$ -	\$ 268,667	\$ 268,667	\$ 268,667	\$ 169,307		
Seized Assets - Federal DOJ Fund Total		-	\$ -	\$ 268,667	\$ 268,667	\$ 268,667	\$ 169,307		
Seized Assets - Federal Treasury Fund	Revised Revenue and Expenditure Projections	-	\$ -	\$ 19,187	\$ 19,187	\$ 19,187	\$ 18,812		
Seized Assets - Federal Treasury Fund Total		-	\$ -	\$ 19,187	\$ 19,187	\$ 19,187	\$ 18,812		
Torrey Highlands MAD Fund	Projected Non-Personnel Expenditures	-	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ -		
Torrey Highlands MAD Fund Total		-	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ -		
Transient Occupancy Tax Fund	Associate Management Analyst	1.00	\$ 106,825	\$ -	\$ 106,825	\$ -	\$ -		
	Four Cent Tourism Reimbursement	-	\$ -	\$ 770,597	\$ 770,597	\$ -	\$ -		
	Interoffice Mail Reallocation	-	\$ -	\$ 2,979	\$ 2,979	\$ 2,979	\$ -		
	Non-Discretionary Adjustment	-	\$ -	\$ (358)	\$ (358)	\$ (358)	\$ -		
	One Cent Discretionary Allocation	-	\$ -	\$ 219,355	\$ 219,355	\$ 219,355	\$ -		
	Public Art Fund Allocation	-	\$ -	\$ (83,852)	\$ (83,852)	\$ (83,852)	\$ -		
	Revised Non-General Fund TOT Revenue	-	\$ -	\$ -	\$ -	\$ -	\$ 1,096,777		
	Transient Occupancy Tax Fund Total	1.00	\$ 106,825	\$ 908,721	\$ 1,015,546	\$ 1,096,777	\$ -		
	Communications Department Restructure	(3.91)	\$ (435,590)	\$ 308,350	\$ (127,240)	\$ -	\$ -		
	Defined Contribution Retirement Plan Adjustment	-	\$ 84,811	\$ -	\$ 84,811	\$ -	\$ -		
Water Utility Operating Fund	Facility/Infrastructure Condition Assessments	-	\$ -	\$ 294,000	\$ 294,000	\$ -	\$ -		
	Lead and Asbestos Removal	-	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -		
	Purchasing and Contracting Services	-	\$ -	\$ 147,000	\$ 147,000	\$ -	\$ -		
	State Revolving Fund (SRF) Revenue	-	\$ -	\$ -	\$ -	\$ -	\$ 4,637,900		
	Support for Potable Reuse Program	-	\$ -	\$ 247,500	\$ 247,500	\$ 247,500	\$ -		
	Water Capacity Fee Revenue	-	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000		
Water Utility Operating Fund Total	(3.91)	\$ (350,779)	\$ 1,196,850	\$ 846,071	\$ 8,637,900	\$ 153,000	\$ 153,000		
Zoological Exhibits Maintenance Fund	-	\$ -	\$ 153,000	\$ 153,000	\$ 153,000	\$ 153,000	\$ 153,000		
Zoological Exhibits Maintenance Fund Total	-	\$ -	\$ 153,000	\$ 153,000	\$ 153,000	\$ 153,000	\$ 153,000		
Non-General Fund Total	(9.30)	\$ (748,035)	\$ 3,390,315	\$ 2,642,280	\$ 18,376,839	\$ 25,322,128	\$ 28,396,539		
City Total	10.68	\$ 2,722,340	\$ 22,599,788	\$ 25,322,128	\$ 28,396,539	\$ 28,396,539	\$ 28,396,539		

Fiscal Year 2015 Public Liability Reserve Estimates		
<i>in millions</i>		
Description	Amount	Liability % ¹
Public Liability Reserve (May 2, 2014)	\$ 35.4	
FY 2014 Projected Public Liability Reserve	\$ 35.4	37.0%
FY 2015 Projected Activity		
Excess Equity Contribution - 50%	12.8	
Compliance Claims	(9.5)	
	<u>\$ 3.3</u>	
FY 2015 Projected Public Liability Reserve	\$ 38.7	40.0%

¹ The Public Liability Reserve percentage calculation and measurement target is based on the most recent three year average of the annual actuarial liability valuations.

ATTACHMENT 4
Excerpt from Council Policy 100-03: Transient Occupancy Tax
Attachment A: General Requirements and Conditions
Section B: Funding

1. Expenses must be both incurred and paid by an organization before the City will release funding to the organization, except as otherwise may be provided.
2. Expenses must be incurred during the City's fiscal year (July 1 - June 30) for which the program is funded, except as otherwise may be provided.
3. City funds may not be used for alcoholic beverages. In addition, City funds may not be used for travel, meals, lodging, or entertainment expenses, except as otherwise may be provided. Waivers to this provision will be considered for expenditures within the Economic Development Program categories. Organizations receiving waivers may use City funds for travel, meals, or lodging within the following parameters:
 - a. Travel – when use of public air carrier transport is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of coach airfare only. City funds may not be applied toward any upgrades.
 - b. Meals – when provision of meals is required in order to perform the contractual scope of services to the City, City funds may be applied toward a maximum of \$50 per day per person for meals (excluding sales tax and a maximum 15% gratuity, which are also eligible expenses). This daily maximum is further limited by meal, as follows: \$10, \$15, and \$25 are the maximum City funds that can be applied toward breakfast, lunch, and dinner, respectively, per person. If alcoholic beverages are consumed with meals, they may not be paid for with City funds. In the event that meals are provided to individuals who are not members of the funded organization within the scope of a business development meeting, documentation containing the purpose of the meeting, the benefit to the City, and a list of attendees must be provided to the City in order for City funding to be utilized.
 - c. Lodging – when out-of-town lodging is required in order to perform the contractual scope of services to the City, City funds may be applied toward the equivalent of the cost of a standard room in a business class hotel, or toward the conference rates of the host hotel when attending a conference.
 - d. Sponsorships – the City acknowledges the business requirement of event sponsorships by promotional organizations in order to market San Diego as a convention destination in a highly competitive market, and to attract businesses to

Attachment D

the region. The primary objective of a funded organization's participation in such events is to gain exposure for San Diego and secure access to important decision makers representing prominent convention groups and businesses. Financial sponsorship of such events is an acceptable application of City funds. If alcoholic beverages are consumed during event sponsorships, they may not be paid for with City funds.

4. City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for capital or equipment outlay, for the purchase of awards, trophies, gifts, or uniforms, nor for the buildup of reserves.
5. Matching fund requirements will be determined by the appropriate application process as called for in the specific funding guidelines within each funding category, if applicable.
6. Organizations requesting funds should possess, at a minimum, a three-year track record of operations. Annual requests for funding may be for one-time events or projects, though applicant organizations must have a three-year history.

Fiscal Year 2015 Transient Occupancy Tax Fund Allocations

ORGANIZATION/PROGRAM	FY 2015 Allocation
Arts, Culture, and Community Festivals - Organizational Support	
Actors Alliance of San Diego	\$ 2,394
AjA Project, The	\$ 22,299
Art of Elan	\$ 7,591
Athenaeum Music & Arts Library dba Athenaeum Music & Arts Library	\$ 114,572
Bach Collegium San Diego	\$ 6,820
Balboa Park Cultural Partnership	\$ 66,585
Balboa Park Online Collaborative	\$ 59,260
California Ballet Association, Inc.	\$ 102,318
Camarada, Inc.	\$ 9,207
Center for World Music	\$ 27,299
City Ballet, Inc	\$ 55,314
Classics for Kids	\$ 26,714
Cygnnet Theatre Company	\$ 114,092
Diversenary Theatre Productions, Inc.	\$ 48,582
Finest City Performing Arts, Inc. dba: San Diego Gay Men's Chorus	\$ 23,633
Flying Leatherneck Museum	\$ 15,509
Gaslamp Quarter Historical Foundation	\$ 32,242
Japanese Friendship Garden	\$ 75,543
La Jolla Chapter, SPEBSQSA, Inc. dba Pacific Coast harmony	\$ 3,411
La Jolla Historical Society	\$ 41,335
La Jolla Music Society	\$ 196,913
La Jolla Symphony & Chorus	\$ 36,383
Mainly Mozart	\$ 108,734
Malashock Dance	\$ 32,008
Maritime Museum	\$ 208,243
Media Arts Center San Diego	\$ 62,589
Mingei International, Inc.	\$ 187,964
Mojalet Dance Collective	\$ 10,676
Mo'olelo Performing Arts Company	\$ 27,696
Moxie Theatre	\$ 14,847
Museum of Contemporary Art SD	\$ 282,214
Museum of Photographic Arts	\$ 140,651
New Children's Museum, The	\$ 141,130
NTC Foundation	\$ 50,231
Old Globe Theatre, The	\$ 422,308
Outside the Lens	\$ 9,244
Pacific Arts Movement	\$ 60,625
Persian Cultural Center	\$ 30,573
PGK Project, The	\$ 8,832

	FY 2015 Allocation
Arts, Culture, and Community Festivals - Organizational Support (continued)	
Playwrights Project	\$ 34,138
Prophet World Beat Productions	\$ 18,486
Reuben H. Fleet Science Center	\$ 261,323
SACRA/PROFANA	\$ 1,627
Samahan Filipino American	\$ 3,704
San Diego Air & Space Museum	\$ 255,188
San Diego Archaeological Center	\$ 20,529
San Diego Art Institute	\$ 43,346
San Diego Automotive Museum	\$ 69,421
San Diego Ballet	\$ 30,375
San Diego Center for Jewish Culture	\$ 117,973
San Diego Children's Choir	\$ 29,543
San Diego Chinese Historical Society	\$ 17,125
San Diego Civic Youth Ballet	\$ 36,987
San Diego Dance Theater	\$ 31,358
San Diego Guild of Puppetry, Inc.	\$ 6,503
San Diego Historical Society	\$ 105,251
San Diego Junior Theatre	\$ 81,508
San Diego Master Chorale, Inc.	\$ 12,467
San Diego Model Railroad Museum	\$ 44,928
San Diego Museum Council, Inc.	\$ 13,410
San Diego Museum of Art	\$ 310,301
San Diego Museum of Man	\$ 150,221
San Diego Opera Association	\$ 160,000
San Diego Repertory Theatre, Inc.	\$ 169,965
San Diego Society of Natural History dba SD Natural History Museum	\$ 351,013
San Diego Symphony	\$ 389,967
San Diego Watercolor Society	\$ 26,519
San Diego Winds	\$ 3,818
San Diego Women's Chorus	\$ 5,713
San Diego Writers Ink	\$ 13,480
San Diego Young Artists Music	\$ 10,676
San Diego Youth Symphony	\$ 87,538
Save Our Heritage Organisation	\$ 67,009
Scripps Ranch Theatre	\$ 16,609
So Say We All	\$ 1,676
Space 4 Art	\$ 9,557
Spreckels Organ Society	\$ 19,870
Tap Fever Studios	\$ 3,246
Theater and Arts Foundation dba La Jolla Playhouse	\$ 399,779
Timken Museum of Art	\$ 109,909
Unlimited Jazz Dance Productions dba Patricia Rincon Dance Collective	\$ 7,991
Villa Musica	\$ 32,811

Attachment D

Attachment 5

**FY 2015
Allocation****Arts, Culture, and Community Festivals - Organizational Support (continued)**

Westwind Brass, Inc.	\$ 6,971
Women's History Reclamation Project dba Women's Museum of CA	\$ 17,041
Young Audiences of San Diego	\$ 46,905
Young Audiences of San Diego	
Arts, Culture, and Community Festivals - Organizational Support Total	\$ 6,540,356

Arts, Culture, and Community Festivals - Creative Communities San Diego

America's Finest City Dixieland Jazz Society	\$ 48,501
Armed Services YMCA of the U.S.A.	\$ 79,366
Asian Story Theater Incorporated	\$ 8,481
Balboa Park Conservancy, The	\$ 32,909
Bon Temps Social Club of San Diego, The	\$ 79,366
Cabrillo Festival, Inc.	\$8,467
Capoeira Institute	\$ 20,779
Casa Familiar	\$ 10,819
College Area Economic Development Corporation	\$ 9,668
contACT Arts	\$ 18,655
Cooper Family Foundation, The	\$ 4,905
Culture Shock Dance Troupe	\$ 6,787
Guitars in the Classroom	\$ 2,159
Hillcrest Business Improvement Association Incorporated	\$ 27,671
Indian Fine Arts Academy of San Diego	\$ 24,400
Italian American Art and Culture Association of San Diego	\$ 20,946
Jacobs and Cushman San Diego Food Bank, The	\$ 32,909
Kalusugan Community Services	\$ 21,203
La Jolla Art & Wine Festival	\$ 16,846
Linda Vista Multi-Cultural Fair, Inc.	\$ 9,389
Little Italy Association	\$ 30,447
Little Saigon Foundation	\$ 20,885
Mariachi Juvenil de San Diego	\$ 9,418
Media Heritage, Inc. dba Filmout San Diego	\$ 17,757
Musicians for Education	\$ 14,961
Ocean Beach Merchant's Association, Inc.	\$ 29,072
Pacific Beach Community Development Corporation dba Discover Pacific Beach	\$ 18,179
Pacific Southwest Wildlife Arts, Inc.	\$ 12,723
PASACAT	\$ 5,545
Point Loma Summer Concerts	\$ 17,223
Rancho de los Penasquitos Town Council, Inc.	\$ 8,076
Rolando Community Council, Inc.	\$ 6,523
San Diego Audubon Society	\$ 25,417
San Diego Chinese Center	\$ 9,432
San Diego City College Foundation	\$ 1,758
San Diego Earth Day	\$ 28,369

	FY 2015 Allocation
Arts, Culture, and Community Festivals - Creative Communities San Diego (continued)	
San Diego Film Foundation	\$ 79,366
San Diego Music Foundation	\$ 30,139
San Diego Shakespeare Society, Inc.	\$ 6,615
Torrey Pines Kiwanis Foundation	\$ 48,427
Transcendance Youth Arts Project	\$ 8,406
VOW Foundation, The dba Rock to Stop Violence	\$ 15,012
Write Out Loud	\$ 7,816
Arts, Culture, and Community Festivals - Creative Communities San Diego Total	\$ 935,792

Economic Development - Citywide Economic Development

CleanTECH San Diego	\$ 30,000
CommNexus San Diego	\$ 30,000
Horton Plaza Theatre Foundation	\$ 435,000
Mission Trails Regional Park Foundation, Inc.	\$ 45,000
San Diego Regional Economic Development Corporation	\$ 85,000
The Maritime Alliance Foundation	\$ 25,000
Workforce Partnership	\$ 50,000
Economic Development - City Economic Development Total	\$ 700,000

Economic Development - Economic Development and Tourism Support

Adams Avenue Business Association	\$ 46,900
Asian Business Association	\$ 25,125
BIOCOM Institute	\$ 46,900
City Heights CDC	\$ 61,690
Greater Golden Hill CDC	\$ 28,287
Hostelling International American Youth Hostels	\$ 46,900
Japan Society of San Diego and Tijuana	\$ 36,180
La Jolla Village Merchants Association	\$ 46,900
North Park Main Street	\$ 53,036
Old Town San Diego Chamber of Commerce	\$ 29,064
Otay Mesa Chamber of Commerce	\$ 46,900
San Diego Diplomacy Council	\$ 40,175
San Diego East Visitors Bureau	\$ 35,163
South County EDC	\$ 46,900
South Park Business Group, Inc.	\$ 11,017
Travelers Aid Society of San Diego, Inc.	\$ 61,690
Veterans Memorial Center, Inc.	\$ 37,173
Economic Development - Economic Development and Tourism Support Total	\$ 700,000

Fire-Rescue**Fire Station 48 - S15015**

Fund	Proposed	Change	Revised
400091 Black Mountain Ranch FBA	\$0	\$2,700,000	\$2,700,000

This is a new project for Fiscal Year 2015. \$2.7 million in Facilities Benefit Assessment funding has been allocated to this project for land acquisition and design of a new fire station located in the community of Black Mountain Ranch. This is one of the new stations recommended by the Citygate Report.

Library**Mission Hills-Hillcrest Library - S13022**

Fund	Proposed	Change	Revised
200209 Library System Improvement Fund	\$0	\$192,767	\$192,767

An additional \$192,767 in Library System Improvement funding has been allocated to this project for Fiscal Year 2015 to continue the design phase of the project.

Park & Recreation**Canyonside Community Park Improvements - S12004**

Fund	Proposed	Change	Revised
400192 Penasquitos East Trust	\$0	\$300,000	\$300,000

An additional \$300,000 in Penasquitos East Trust funding has been allocated to this project for Fiscal Year 2015 to provide for increased costs of parking lot construction and the environmental permit process.

Del Mar Terrace Street Improvements - L14003

Fund	Proposed	Change	Revised
200059 Del Mar Terrace MAD Fund	\$65,000	\$495,404	\$560,404

An additional \$495,404 in Del Mar Terrace MAD funding has been allocated to this project for Fiscal Year 2015 due to the close out of a related Del Mar Terrace Street Improvements project.

Rancho Penasquitos Skate Park - S12002

Fund	Proposed	Change	Revised
400245 Blk Mtn Ranch Dev Agreement	\$0	\$30,400	\$30,400

An additional \$30,400 in Black Mountain Ranch Development Agreement funding has been allocated to this project for Fiscal Year 2015 for skate ramp features that were added to the scope of work.

Rancho Penasquitos Towne Centre Park Imp - S12003

Fund	Proposed	Change	Revised
400192 Penasquitos East Trust	\$0	\$100,000	\$100,000

An additional \$100,000 in Penasquitos East Trust funding has been allocated to this project for Fiscal Year 2015 to provide for the increased cost of shade structure.

Silver Wing NP Sports Field/Lighting - S11051

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$600,000	\$600,000

An additional \$600,000 in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fully fund the project.

Sunset Cliffs Park Drainage Improvements - L14005

Fund	Proposed	Change	Revised
200463 Sunset Cliffs Natural Park	\$0	\$456,000	\$456,000

An additional \$456,000 in Sunset Cliffs Natural Park funding has been allocated to this project for Fiscal Year 2015 to fund the demolition and removal of residential properties located in Sunset Cliffs Natural Park according to the Master Plan and to revegetate the land to control drainage and erosion issues.

Tierrasanta CP Sports Field Lighting - S11011

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$47,000	\$47,000

An additional \$47,000 in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fully fund this project.

Torrey Pines N. Golf Course-Improvements - S14019

Fund	Proposed	Change	Revised
700045 Torrey Pines Golf Course CIP Fund	\$0	\$2,600,000	\$2,600,000

An additional \$2.6 million in Torrey Pines Golf Course funding has been allocated to this project for Fiscal Year 2015 to provide for an enhanced scope that includes: enhanced paving, nursery green, turf removal, reconfiguration of the irrigation system and conversion to a more natural landscape, and tree relocation, as well as expanded grading, reshaping, and contouring.

Trail for All People - S13001

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$100,000	\$100,000

An additional \$100,000 in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fully fund the project.

Wightman Street Neighborhood Park - S00767

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$970,000	\$970,000

An additional \$970,000 in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fully fund the project.

Public Utilities**Lower Otay Reservoir Emer Outlet Improve - S00044**

Fund	Proposed	Change	Revised
700010 Water Utility - CIP Funding Source	\$0	\$300,000	\$300,000

An additional \$300,000 in Water funding has been allocated to this project for Fiscal Year 2015 for additional design changes to comply with the Division of Safety of Dams (DSOD) requirements.

Montezuma Trunk Sewer - S00332

Fund	Proposed	Change	Revised
700008 Muni Sewer Utility - CIP Funding Source	\$0	\$100,000	\$100,000

An additional \$100,000 in Sewer funding has been allocated to this project for Fiscal Year 2015 to complete final scopes of work in order to close the project.

NCWRP Sludge Pump Station Upgrade - S00309

Fund	Proposed	Change	Revised
700009 Metro Sewer Utility - CIP Funding Source	\$0	\$100,000	\$100,000

An additional \$100,000 in Sewer funding has been allocated to this project for Fiscal Year 2015 to support higher than anticipated project costs.

Otay WTP Upgrade & Expansion - S00030

Fund	Proposed	Change	Revised
700010 Water Utility - CIP Funding Source	\$0	\$50,000	\$50,000

An additional \$50,000 in Water funding has been allocated to this project for Fiscal Year 2015 for additional inspection required for the Otay WTP Concrete Work (S11059) project.

Pipeline Rehabilitation - AJA00002

Fund	Proposed	Change	Revised
700008 Muni Sewer Utility - CIP Funding Source	\$23,500,000	(\$1,000,000)	\$22,500,000

This change reflects the removal of \$1.0 million in Sewer funding for Fiscal Year 2015 due to the use of continuing appropriations from Fiscal Year 2014 that will be used to partially fund this annual allocation in Fiscal Year 2015.

PS 84 Upgrade & PS 62 Abandon - S00308

Fund	Proposed	Change	Revised
700008 Muni Sewer Utility - CIP Funding Source	\$0	\$1,000,000	\$1,000,000

An additional \$1.0 million in Sewer funding has been allocated to this project for Fiscal Year 2015 to reflect additional project requirements.

Public Works - General Services**City Facilities Improvements - ABT00001**

Fund	Proposed	Change	Revised
200386 Mission Bay Improvements Fund	\$0	\$306,568	\$306,568
400021 Rancho Bernardo-Major District	\$0	\$23,012	\$23,012
400107 Rancho Bernardo-Pk Dev Fund	\$0	\$233,091	\$233,091
400265 CIP Contributions from General Fund	\$0	\$365,668	\$365,668

An additional \$928,339 in funding from a variety of sources has been allocated to this project for Fiscal Year 2015 for improvements to park parking lots and park roads.

Transportation & Storm Water**Installation of City Owned Street Lights - AIH00001**

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$1,400,000	\$1,400,000

An additional \$1.4 million in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fund the installation of new street lights.

Median Installation - AIG00001

Fund	Proposed	Change	Revised
400185 Belmont/Mission Beach Develop	\$0	\$50,000	\$50,000

An additional \$50,000 in Developer Contributions has been allocated to this project for Fiscal Year 2015 to fund the Mission Boulevard Turn Pocket project.

New Walkways - AIK00001

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$0	\$400,000	\$400,000

An additional \$400,000 in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fund the installation of new sidewalks.

Old Otay Mesa Road- Westerly - S00870

Fund	Proposed	Change	Revised
400169 TransNet Extension Congestion Relief Fund	\$0	\$2,174,775	\$2,174,775

An additional \$2.2 million in TransNet funding has been allocated to this project for Fiscal Year 2015 to fund the construction phase.

Resurfacing of City Streets - AID00005

Fund	Proposed	Change	Revised
400169 TransNet Extension Congestion Relief Fund	\$0	\$7,825,225	\$7,825,225

An additional \$7.8 million in TransNet funding has been allocated to this project for Fiscal Year 2015 due to the delay of the first tranche of the Deferred Capital Bond #3.

Sidewalk Repair and Reconstruction - AIK00003

Fund	Proposed	Change	Revised
400265 CIP Contributions from General Fund	\$400,000	\$400,000	\$800,000

An additional \$400,000 in CIP Contributions from the General Fund has been allocated to this project for Fiscal Year 2015 to fund the repair and reconstruction of existing sidewalks.

State Route 163/Friars Road - S00851

Fund	Proposed	Change	Revised
400169 TransNet Extension Congestion Relief Fund	\$10,000,000	(\$10,000,000)	\$0

This change reflects the removal of \$10.0 million in TransNet funding for Fiscal Year 2015 and the reallocation to the following projects: Old Otay Mesa Road – Westerly (S00870) and Resurfacing of City Streets (AID00005).

Total CIP	\$297,652,880	\$12,319,910	\$309,972,790
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FY15 Underfunded Projects (Waterfall List)

Project	Priority Score	Phase	Amount
Mohnike Adobe and Barn Restoration / S13008	62	Construction	\$ 60,000
Environmental Services Operations Yard Improvement / AFA00003	Annual		
ESD Miramar Roof Replacement / BXXXXX ¹		Construction	135,000
ESD Ops Yard Drainage Improvement / B13188		Construction	140,000
Open Space Improvements / AGG00001	Annual		
Rancho Mission Slope Movement / B13015		Construction	300,000
Children's Pool Lifeguard Station / S00644	93	Construction	350,000
Mission Bay Athletic Area Comfort Station Mod / S10021	68	Construction	820,000
Crystal Pier Improvements / S11014	70	Design	250,000
Ocean Beach Lifeguard Station / S10121	79	Design	600,000
Fire Station No. 54 - Paradise Hills / S00785	81	Design	800,000
Resurfacing of City Streets / AID00005	Annual		5,000,000
New Walkways / AIK00001	Annual		3,000,000
Concrete Streets / AID00006	Annual		2,000,000

¹ Project has not yet been created

Project	Delivery Method	Estimated Construction Contract	Total Project Cost
Airports			
Montgomery Field / AAA00001			
Montgmy Arpt Runway 5/23 & Taxiway Golf / B00910	Design Bid Build	5,303,000	6,791,000
MYF Twy C Rehab & New Run-Up Pads / B11059	Design Bid Build	1,000,000	1,565,000
Montgomery Fld MYF Terminal ADA Upgrades / B12073	Design Bid Build	375,000	691,000
Brown Field / AAA00002			
Brown Field Airport Runway 8L/26R Rehab / B11010	Design Bid Build	9,412,000	11,698,000
Brown Field (SDM) Terminal ADA Upgrades / B12029	Design Bid Build	490,000	860,000
Total Airports		16,580,000	21,605,000
Fire-Rescue			
FIRE STATION NO. 17 / S00783	Design Bid Build	8,735,000	12,015,000
FIRE STA #5 - HILLCREST / S00788	Design Bid Build	5,980,000	9,040,000
SOUTH MISSION BEACH STATION / S00791	Design Bid Build	4,191,000	4,600,000
Fire Station 8 Improvements / S10029	Design Bid Build	518,000	796,000
North Pacific Beach Lifeguard Station / S10119	Design Bid Build	3,400,000	4,260,000
Fire Station 15 Improvements / S13011	Design Bid Build	259,000	400,000
Fire-Rescue Total		23,083,000	31,111,000
Library			
Mission Hills - Hillcrest Library / S13022	Design Build	12,805,000	18,805,000
Library Total		12,805,000	18,805,000
Office of the Chief Operating Officer			
CIP Emergency Reserve / ABT00006			
Crystal Pier Emergency Repair / B13095	Design Bid Build	170,000	300,000
Office of the Chief Operating Officer Total		170,000	300,000
Park & Recreation			
Balboa Park Golf Course / AEA00002			
Balboa Park GC Step/Handrail Replace Ph II / B11100	Design Build	1,700,000	1,940,000
Balboa Park GC Fuel Tank Installation / B12019	Design Bid Build	150,000	200,000
Resource-Based Open Space Parks / AGE00001			
LOS PEN CANYON - BLK MTN RANGER STATION / B00619	Design Bid Build	1,145,000	1,310,000
Coastal Erosion and Access / AGF00006			
Orchard Ave., Capri by Sea and Old Salt Pool Stairs / B14073	Design Bid Build	155,000	310,000
Angier Elementary School Joint Use / S00762	Design Bid Build	1,580,000	2,116,000
Central Ave. Mini Park - Phase I / S00992	Design Bid Build	880,000	1,512,000
Central Ave. Mini Park Phase II Skate Plaza / S14010	Design Bid Build	514,000	847,000
Electric Room System Relocation and Upgrade / L120031	Design Bid Build	510,000	755,000
Mira Mesa Community Park - Exp & Aquatic / S00667	Design Build	7,410,000	9,155,000
MISSION BAY GOLF COURSE PRACTICE CENTER / S01090	Design Bid Build	964,000	1,400,000
MONTGOMERY ACADEMY JOINT USE IMPRVMT / S00973	Design Bid Build	827,000	1,091,000
Mountain View Neigh Pk Area Upgrades / S11019	Design Bid Build	791,000	1,025,000
Museum of Man Roof Replacement / S11101	Design Bid Build	300,000	400,000
North Ocean Beach Gateway Phase II / S12041	Job Order Contract (JOC)	351,000	401,000
North Park/Main St Sidewalk Improvements / S10040	Design Bid Build	127,000	200,000
Pomerado Median Improve-N of R Bernardo / S10035	Design Bid Build	650,000	900,000
Rancho Penasquitos Towne Centre Park Imp / S12003	Design Bid Build	50,000	75,000
SD River Dredging Qualcomm Way to SR163 / S00606	Design Bid Build	739,000	1,064,000
Sunset Cliffs Natural Pk Hillside Imp Presrv / S10091	Design Bid Build	202,500	400,000
Talmadge Historic Gates / L12001	Design Bid Build	309,000	400,000
Torrey Highlands Community ID & Enhance / S11009	Design Bid Build	85,000	139,000
Torrey Highlands NP South / S00651	Design Bid Build	2,193,000	3,527,000
Torrey Highlands Park - Play Area Upgrad / S11020	Design Bid Build	700,000	940,000
Trail For All People / S13001	Design Bid Build	173,000	281,000
Webster Neighborhood Identification Sign / S14005	Design Bid Build	10,000	40,000
Wegeforth Elementary School Joint Use / S00764	Design Bid Build	2,216,000	3,092,000
Welcome to Rancho Bernardo Signs / S10036	Design Bid Build	33,000	50,000
West Maple Canyon MP / S00760	Design Bid Build	294,000	600,000
Park & Recreation Total		25,058,500	34,170,000
Police			
Police Range Refurbishment / S10118	Design Bid Build	2,000,000	2,500,000
Police Headquarters Co-generation Repower Project / S10131	Design Bid Build	683,000	978,000
Police Total		2,683,000	3,478,000
Public Utilities			
Water Treatment Plants / ABI00001			

Attachment D

Attachment 8

Project	Delivery Method	Estimated Construction Contract	Total Project Cost
Sodium Hypochlorite at Otay WTP / B13174	Design Bid Build	1,926,000	2,754,000
Water Pump Station Restoration / ABJ00001			
College Ranch Hydro Pump Station / B11023	Design Bid Build	5,286,000	7,478,000
Standpipe and Reservoir Rehabilitations / ABL00001			
La Jolla Country Club Reservoir / B11024	Design Bid Build	4,125,000	6,025,000
Metro Treatment Plants / ABO00001			
MBC Chemical System Improvements Phase 2 / B10178	Design Bid Build	3,174,000	4,446,000
Emergency Strobe Lights at MBC, NC, SB / B13227	Job Order Contract (JOC)	390,000	714,000
Pump Station Restorations / ABP00001			
Skylark Canyon Sewer Rehabilitation / B00500	Design Bid Build	657,000	1,197,000
Sewer Main Replacements / AJA00001			
Sewer Group 743 / B00353	Multiple Award Construction Contract	1,812,000	3,334,000
Sewer Group Job 752 / B00360	Design Bid Build	3,500,000	4,774,000
Sewer Group Job 795 / B00396	Design Bid Build	644,000	902,000
Buchanan Canyon Sewer B (UP) / B00429	Design Bid Build	3,487,000	4,894,000
SEWER GROUP JOB 833 / B00437	Design Bid Build	551,000	811,000
Water & Sewer GJ 816 (S) / B00443	Design Build	840,000	1,291,000
Sewer Group 691 / B00446	Design Bid Build	2,117,000	3,103,000
Sewer Group 721 / B00460	Design Bid Build	3,723,000	4,878,000
Tecolote Canyon 8-inch CI Sewer Replacement / B11111	Job Order Contract (JOC)	600,000	899,000
Sewer & Water Group 940 (S) / B12042	Design Bid Build	3,460,000	4,348,000
Sewer & Water Group Job 815 (S), Sewer & Water Group Job 815 (W) / B00415, B12045	Design Bid Build	3,463,000	5,278,795
Water & Sewer Group 965 (S), Water & Sewer Group 965 (W) / B12048, B12057	Design Bid Build	4,265,000	5,867,000
Tyrian Street and Soledad Avenue SMR / B12111	Design Bid Build	915,000	1,347,000
Boundary St & Edmonton Ave SMR / B13173	Job Order Contract (JOC)	480,000	671,000
AC Water & Sewer Group 1001 (S) / B13238	Multiple Award Construction Contract	298,789	407,753
Pipeline Rehabilitation / AJA00002			
Pipeline Rehab - Phase G-2 (Laterals) / B11029	Design Bid Build	3,350,000	4,000,000
Pipeline Rehab - Phase I-2 (Laterals) / B11030	Design Bid Build	3,325,000	4,000,000
PIPELINE REHAB - PHASE F-2 (LATERALS) / B11060	Design Bid Build	4,000,000	4,600,000
Pipeline Rehab Phase J-2 (Laterals) / B11061	Design Bid Build	3,315,000	4,000,000
Pipeline Rehabilitation T-1 / B11120	Design Bid Build	2,500,000	3,450,000
Pipeline Rehabilitation X-1 / B13098	Design Bid Build	614,000	797,000
Otay Valley Manhole Improvements / B13178	Job Order Contract (JOC)	510,000	800,000
Otay Valley Manhole Improvement Project / B13178	Design Bid Build	2,000,000	2,400,000
Pipeline Rehabilitation Z-1 / B13209	Design Bid Build	1,648,000	2,110,000
Pipeline Rehabilitation AA-1 / B13217	Design Bid Build	5,353,000	6,493,000
Pipeline Rehabilitation AB-1 / B13222	Design Bid Build	5,088,000	6,444,000
Unscheduled Projects / AJA00003			
False Bay RR Trunk Sewer / B00507	Design Bid Build	972,000	1,424,841
Metropolitan Waste Water Department Trunk Sewers / AJB00001			
W PTL Intercept & PS2 FM Siphon Repair / B11098	Design Bid Build	1,020,000	1,500,000
Large Diameter Water Transmission PPL / AKA00003			
Water Group Job 940 / B11036	Design Bid Build	3,247,000	4,509,000
Water Group Job 948 / B11044	Multiple Award Construction Contract	1,850,000	3,300,000
Rancho Santa Fe Water Replacement / B13082	Job Order Contract (JOC)	260,000	355,000
Water & Sewer Group 963 (W), Water & Sewer Group 963 (S) / B12072, B13169	Multiple Award Construction Contract	3,808,000	5,463,000
AC Water & Sewer Group 1001 (W) / B13230	Multiple Award Construction Contract	3,128,986	3,587,147
Otay 1st PL University Heights / B14028	Multiple Award Construction Contract	3,677,000	4,900,000
Ridgeview Water Main Replacement / B14072	Job Order Contract (JOC)	1,200,000	1,400,000
Lower Otay Reservoir Emerg Outlet Improv / S00044	Design Bid Build	1,050,000	2,000,000
WDSU - Reservoirs & Dams - Ph II / S00050	Design Build	2,200,000	3,000,000
NCWRP Sludge Pump Station Upgrade / S00309	Job Order Contract (JOC)	361,000	500,000
EMT&S Boat Dock & Steam Line Relocation / S00319	Design Bid Build	1,413,000	2,019,000
MBC ODOR CONTROL FACILITY UPGRADES / S00323	Design Bid Build	4,193,000	6,200,000
University Ave Pipeline Replacement / S11021	Design Bid Build	13,545,000	18,700,000
Upas Street Pipeline Replacement - GMP2 / S11022	Construction Manager at Risk	25,422,435	33,297,000
Chollas Building / S11025	Design Build	16,200,000	17,700,000
Tierrasanta (Via Dominique) Pump Station / S12040	Design Bid Build	8,200,000	11,208,000
Water & Sewer GJ 816 (W) / S13015	Design Build	7,446,000	9,748,000
Bayview Reservoir / MOC Complex Solar Projects / S14021, S14022	Design Build	3,633,000	4,844,000
Public Utilities Total		180,243,209	240,168,536

Public Works - General Services

Americans with Disabilities Improvements / ABE00001			
Malcolm X Library Facility Repairs / B10038	Design Bid Build	517,000	717,000
MISSION BEACH COMMUNITY CENTER / B12004	Design Bid Build	76,000	185,000
Santa Clara Recreation Center - ADA / B12006	Design Bid Build	436,000	559,000

Project	Delivery Method	Estimated Construction	Total
		Contract	Project Cost
Alzheimer Family Center ADA Improvements / B12074	Design Bid Build	230,000	420,000
United/Hall of Nations ADA Barrier Remvl / B13017	Design Bid Build	249,000	347,000
Casa de Balboa ADA Barrier Removal / B13018	Design Bid Build	1,113,000	1,610,000
Morley Field Tennis Registration / B13020	Design Bid Build	130,000	182,000
Museum of Man ADA Barrier Removal / B13021	Design Bid Build	279,000	433,539
Timken Art Gallery ADA Barrier Removal / B13022	Design Bid Build	131,000	193,800
Park & B APS Bond DS / B13056	Design Bid Build	57,000	90,000
Chelsea w/s east of Dolphin Bond MS DS / B13059	Design Bid Build	93,000	135,000
Group Job 13B Bond CR DS / B13063	Design Bid Build	180,000	300,000
La Playa Av/Jewell St CR Obstruction DS / B13064	Design Bid Build	60,000	85,000
Redwood & 30th CR Obstruction DS / B13066	Design Bid Build	358,000	555,000
Barrio Youth Facilities 2 & 3 / B13067	Design Bid Build	347,000	583,000
City Heights Youth & Community Center AD / B13068	Design Bid Build	190,000	403,000
Solola & Euclid CR Obstruction DS / B13069	Design Bid Build	115,000	188,000
Aero & Sandrock CR Obstruction DS / B13070	Design Bid Build	126,000	201,000
Orange & Altadena CR Obstruction DS / B13072	Design Bid Build	82,000	127,000
San Carlos Library ADA Improvements / B13075	Design Bid Build	286,000	436,000
Bay Bridge Community Center ADA / B13076	Design Bid Build	304,000	608,000
Colina Del Sol Pool ADA / B13077	Design Bid Build	325,000	541,000
SY Comm and Rec CTR-ADA Barrier Removal / B13078	Design Bid Build	596,000	1,040,000
Sherman Heights Community Center ADA / B13079	Design Bid Build	220,000	421,000
Girard @ Pearl A P S La Jolla DIF 13 / B13104	Design Bid Build	76,000	121,000
Group Job 13E Clairemont Mesa DIF CR / B13107	Design Bid Build	42,000	72,000
Group Job 13F Linda Vista DIF CR / B13108	Design Bid Build	89,000	130,000
Group Job 13J Peninsula DIF CR / B13112	Design Bid Build	190,000	295,000
Fire Station 3 Improvements / B13187	Design Bid Build	265,000	466,000
Fire Station 19 Roof & HVAC Replacement / B13190	Design Bid Build	729,000	959,000
Mission Beach Lifeguard Station Improvements / B13191	Design Bid Build	389,000	545,000
Black Mountain & Park Village FY13 APS / B13207	Design Bid Build	72,000	115,000
Academy of Our Lady of Peace Relocation Phase II / B14089	Design Bid Build	1,800,000	2,200,000
City Facilities Improvements / ABT00001			
SPANISH VILLAGE PLMBGREPWTRSERV / B00953	Job Order Contract (JOC)	481,000	707,283
Air & Space Museum Elevator Modernization / B10035	Design Build	96,500	301,556
Casa Del Prado Elevator Modernization / B10041	Design Build	159,500	514,854
Museum of Art Elevator Modernization / B10042	Design Build	353,000	602,150
Old Globe Theater Elevator Modernization / B10045	Design Build	208,500	305,413
Rancho Penasquitos Library Roof Replacement / B10049	Design Bid Build	672,000	826,000
Rancho Penasquitos Library HVAC / B10051	Design Bid Build	520,000	750,000
Public Works - General Services Total		12,642,500	19,270,595
Transportation & Storm Water			
Drainage Projects / ACA00001			
Jean Drive Storm Drain Replacement / B11013	Design Bid Build	390,000	745,000
Huntington Ave(9102)Storm Drain Replace / B12021	Design Bid Build	419,000	600,000
Rue Cheaumont (12275) Storm Drain Replac / B12031	Design Bid Build	1,133,000	1,668,000
Mobley St (2764) Storm Drain Replacement / B12032	Design Bid Build	527,000	964,000
Hornblend Alley(1761)Storm Drain Upgrade / B12035	Design Bid Build	362,000	550,000
El Camino del Teatro (6453) SD Repl / B12076	Design Bid Build	517,000	910,000
Preece Street Storm Drain / B12078	Design Bid Build	672,000	900,000
Watershed CIP / ACC00001			
Mira Mesa Library Watershed Protection / B10028	Design Bid Build	214,000	460,000
Beta Street and 37th Street Green Alley / B11057	Design Bid Build	585,000	769,000
Allied Gardens Park Green Lot / B11069	Design Bid Build	100,000	166,000
Minor Bike Facilities / AIA00001			
Mission Center Rd HAWK / B13212	Design Bid Build or JOC	205,000	293,000
Utilities Undergrounding Program / AID00001			
UUP 30th Street Phase 3B Street Light Installation / B00717	Job Order Contract (JOC)	58,000	100,000
UUP, San Vicente St, Trojan Av / B00725, B00718	Job Order Contract (JOC)	180,000	304,000
UUP Point Loma (2J), Canon Street, Garrison Street and La Jolla Scenic Dr N Street Resurfacing and Curb Ramp Installation Project / B00824, B00988, B00846, B00724	Design Bid Build or JOC	868,000	1,302,000
UUP Bay Ho (6J), Bay Ho 2 (6I), Jutland Drive and Moraga Ave (Phase I) Street Resurfacing and Curb Ramp Installation Project / B00827, B00839, B0049, B00726	Design Bid Build or JOC	2,558,000	3,837,000
UUP Mesa College Drive, Briarwood Road, Paradise Hills (4AA) and Del Cerro (7CC) Street Resurfacing and Curb ramp Installation Project / B00703, B00848, B00826, B00828	Design Bid Build or JOC	2,086,000	3,130,000

Attachment D

Attachment 8

Project	Delivery Method	Estimated Construction Contract	Total Project Cost
UUP Sherman Heights (8F), Island Ave (Phase I), Island Ave (Phase II) and Sherman Heights 2 (8G) Street Resurfacing and Curb ramp Installation Project / B00714, B00705, B00705, B00829	Design Bid Build or JOC	2,458,000	3,687,000
UUP 30th Street (Phase III A), 28th Street, Patrick Henry High Block, Ridge Manor and Pacific Beach North (2T) Street Resurfacing and Curb ramp Installation Project / B00719, B00821, B00840, B00833, B00835	Design Bid Build or JOC	1,981,000	2,972,000
UUP, Block 3HH Talmadge 3 / B00837	Job Order Contract (JOC)	350,000	695,000
UUP Regent Road, Eastgate Mall, National Ave (Phase I and II) and Paradise Hills North (4Z) Street Resurfacing and Curb ramp Installation Project / B12068, B00723, B00787, B00838	Design Bid Build or JOC	1,134,000	1,701,000
UUP Mission Hills (2E), 24th Street, K Street (Phase I) and K Street (Phase II) Street Resurfacing and Curb ramp Installation Project / B00709, B10197, B00851, B00851	Design Bid Build or JOC	2,221,000	3,331,000
Block 2T Pacific Beach North UUP Alley Improvement / B12050	Job Order Contract (JOC)	81,000	200,000
UUP, Block 4N North Encanto / B12055	Job Order Contract (JOC)	228,000	385,000
UUP, Block 6DD Bay Ho 3 / B12065	Job Order Contract (JOC)	275,000	467,000
Bridge Rehabilitation / AIE00001			
Replace Barrier Rail on Barnett O/PCH / B00869	Design Bid Build	428,000	613,000
Installation of City Owned Street Lights / AIH00001			
Kensington Manor #1 Street Light Circle / B00863	Design Bid Build	300,000	387,000
CD 8 Street Lights - 14 Locations / B14013	Design Bid Build	108,000	148,000
Street Light Circuit Upgrades / AIH00002			
Pacific Beach 3 SL Circuit Upgrade / B13140	Design Bid Build	627,000	815,000
Sunset Cliffs 3 SL Circuit Upgrade / B13141	Design Bid Build	697,000	1,004,000
Talmadge 1 Streetlight Circuit Upgrade / B13142	Design Bid Build	824,000	1,071,000
New Walkways / AIK00001			
N Harbor Dr Pedestrian Access Improvmnts / B12060	Design Bid Build	488,000	706,000
Fairmount Ave-Columbine/Quince SR2S / B13159	Design Bid Build	280,000	421,000
Traffic Calming / AIL00001			
Orange Av @ Estrella St Popouts, Orange & 49th CR Obstruction DS / B12079, B13074	Design Bid Build	324,000	421,000
Traffic Signals - Citywide / AIL00004			
4th Av & Date St Traffic Signal / B13137	Design Bid Build or JOC	150,000	275,000
36th St & El Cajon Bl Traffic Signal / B13138	Design Bid Build	253,000	330,000
Grove Ave/Ingrid Ave@Hollister St TS / B13179	Design Bid Build or JOC	211,000	275,000
31st/OceanView New Traffic Signal / B14014	Design Bid Build or JOC	225,000	275,000
Beyer/Smythe Crossing New Traffic Signal / B14015	Design Bid Build or JOC	214,000	275,000
41st/National New Traffic Signal / B14016	Design Bid Build or JOC	225,000	275,000
Market St & 26th St Traffic Signal / B14091	Design Bid Build	150,000	275,000
Traffic Signals Modification / AIL00005			
Pacific Hwy & W Palm St Signal Mod / B13008	Design Bid Build	239,000	358,000
Signal Mods in Barrio Logan / B13010	Design Bid Build	283,000	428,000
Friars Rd & Sea World Dr Signal Mod / B13133	Design Bid Build or JOC	97,000	165,000
Campanile Dr & Montezuma Rd Signal Mod / B13134	Design Bid Build or JOC	80,000	107,000
5th/Robinson Traffic Signal Modification / B14010	Design Bid Build or JOC	85,000	159,000
Balboa Avenue Corridor Improvements / S00831			
KEARNY MESA COMMUNITY SIGNS / B01005	Design Bid Build	115,000	245,000
34th and 35th @ Madison Ave Improvmnts / S00922	Design Bid Build	775,000	795,000
Azalea Park Artistic Enhancement / S00699	Design Bid Build	240,000	465,000
Cherokee Street Improvements / S00921	Design Bid Build	1,606,000	2,529,000
Coolidge Street Storm Drain / S11003	Design Bid Build	287,000	469,000
El Camino Real-SR-56 Bike Connector / S00981	Design Bid Build	270,000	524,000
Five Points Neighborhood Pedestrian Improvements / S00988	Design Bid Build	220,000	475,000
Georgia Street Bridge Improvements / S00863	Design Bid Build	8,000,000	13,296,000
Hayes Ave Storm Drain / S11002	Design Bid Build	335,000	599,000
Linda Vista/Genesee Intersection Improve / S00907	Design Bid Build	544,000	888,000
Mission Beach Boardwalk Bulkhead / S00726	Design Bid Build	1,730,000	2,700,000
Old Otay Mesa Road- Westerly / S00870	Design Bid Build	5,025,000	7,452,000
Pacific Beach Curb Ramp Barrier Removal / S11048	Design Bid Build	340,000	490,000
Palm Avenue Roadway Improvements / S00913	Design Bid Build	2,940,000	4,617,209
Regents Rd Widening-Genesee to Executive / S00881	Design Bid Build	3,500,000	4,982,000
Streamview Drive Improvements / S00864	Design Bid Build	1,800,000	2,565,000
Torrey Pines Improvements Phase I / S00613	Design Bid Build	485,000	865,000
Torrey Pines Road Slope Restoration / S00877	Design Bid Build	1,000,000	2,809,000
Transportation & Storm Water Total		55,102,000	85,684,209
Total		328,367,209	454,592,340

**THE CITY OF SAN DIEGO**

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: June 4, 2014**IBA Report Number:** 14-20**City Council Docket Date:** June 9, 2014**Item Number:** 200

Review of the FY 2015 May Revise and Recommended Revisions to the Mayor's FY 2015 Budget

The IBA's review of the Mayor's Proposed FY 2015 Budget was issued on April 28, 2014 as IBA Report No. 14-15. Departmental budget hearings with the Budget Review Committee took place May 5, 2014 through May 9, 2014. On May 19, 2014, the City Council held an evening budget hearing to solicit input from the community on the Mayor's budget proposals and what their budget priorities were for FY 2015. On May 20, 2014, the Mayor issued a May Revision ("May Revise") to his Proposed Budget along with the FY 2014 Year-End Monitoring Report ("Year-End Report"), which was discussed at the Budget Review Committee on May 21, 2014.

This report presents our final FY 2015 budget review and recommendations for final Council budget modifications which are based on the following: our analysis of the FY 2015 May Revise, the FY 2014 Year-End Report and the FY 2015 Proposed Budget; review and consideration of outstanding budget issues communicated by Councilmembers in their May 23rd budget priority memos; and consideration of feedback from the public, City staff and City Councilmembers during the budget hearings.

OVERVIEW OF THE FY 2014 YEAR-END BUDGET MONITORING REPORT

We have thoroughly reviewed the FY 2014 Year-End Report and our Office believes the year-end revenue and expenditure projections are prudent and differ only marginally from projections included in the FY 2014 Mid-Year Budget Monitoring Report ("Mid-Year"). Total General Fund revenues have increased by \$2.7 million from the Mid-Year, due to an increase in major revenues; while expenditures have increased \$21.3 million due primarily to the \$22.9 million in Mid-Year budget appropriations to utilize a large portion of projected General Fund year-end excess equity, which was approved by City Council on March 3, 2014. Excluding these appropriation adjustments, total General Fund expenditure projections declined \$1.6 million from the Mid-Year.

OFFICE OF THE INDEPENDENT BUDGET ANALYST

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Revenue Source <i>(in millions)</i>	FY 2014 Adopted Budget	FY 2014 Mid Year Report Projection	FY 2014 Year End Report Projection	Variance - Adopted to Year End	Variance - Mid Yr to Year End
Property Tax ¹	\$ 408.0	\$ 457.9	\$ 458.0	\$ 50.0	\$ 0.1
Sales Tax	248.1	243.9	245.3	(2.8)	1.4
Transient Occupancy Tax	87.9	86.8	87.5	(0.4)	0.7
Franchise Fees	67.0	68.6	69.6	2.6	1.0
Sub-Total Major Revenues	\$ 811.0	\$ 857.2	\$ 860.4	\$ 49.4	\$ 3.2
Departmental & Other Revenue	392.0	408.2	407.7	15.7	(0.5)
TOTAL GENERAL FUND REVENUE	\$ 1,203.0	\$ 1,265.4	\$ 1,268.1	\$ 65.1	\$ 2.7

1- \$34.9 million one-time non-housing DDR revenue not included in Adopted Budget

Expenditure <i>(in millions)</i>	FY 2014 Adopted Budget	FY 2014 Mid Year Report Projection	FY 2014 Year End Report Projection	Variance - Adopted to Year End	Variance - Mid Yr to Year End
Personnel Expenditures	\$ 515.9	\$ 519.7	\$ 517.8	\$ 1.9	\$ (1.9)
Fringe Benefits	370.5	371.1	372.6	2.1	1.5
Sub-Total Personnel	\$ 886.4	\$ 890.8	\$ 890.4	\$ 4.0	\$ (0.4)
Contracts	148.5	170.9	182.2	33.7	11.3
Energy & Utilities	38.7	37.1	36.9	(1.8)	(0.2)
Information Technology	29.7	30.8	31.7	2.0	0.9
Supplies	25.0	27.3	27.5	2.5	0.2
Other Expenditures	97.2	80.1	89.6	(7.6)	9.5
Sub-Total Non-Personnel	\$ 339.1	\$ 346.2	\$ 367.9	\$ 28.8	\$ 21.7
TOTAL GENERAL FUND EXPENDITURES ²	\$ 1,225.5	\$ 1,237.0	\$ 1,258.3	\$ 32.8	\$ 21.3

2- Year-End projections include \$22.9 million in utilization of excess equity approved during Mid-Year budget actions

The information included in the Year-End Report provides great detail on General Fund significant issues, revenues, and expenditures; and after our Office's review, we feel we do not need to supplement this with information beyond what was presented in the report. We appreciate the thoroughness of the information presented in the Year-End Report and commend Financial Management on increasing the level of transparency in City projections.

OVERVIEW OF THE FY 2015 MAY REVISE AND KEY ISSUES

The May Revise increases the Mayor's FY 2015 General Fund budget expenditures by \$22.7 million, or 1.9%, from \$1.179 billion to \$1.202 billion from the Proposed Budget, while General Fund revenues increased by \$10.0 million, or 0.9%, from \$1.177 billion to \$1.187 billion. Expenditure increases grew \$12.7 million above new resources due to the planned utilization of a corresponding amount of excess equity to fund the Public Liability Reserve, as discussed later in this report. The \$10.0 million in resources comes primarily from an increase in Property Tax revenues (\$7.2 million), with additional increases in Transient Occupancy Tax (\$1.2 million from the General Fund 5.5 cent apportionment), and \$0.5 million reimbursement of a FY 2014 loan to the San Diego Convention Center, among others. These additional resources are partially offset by a \$1.4 million reduction in the Office of the City Attorney's revenue projections due to a decline in estimated legal settlement revenues.

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The May Revise has increased the net number of General Fund FTEs by 19.98 from the Proposed Budget, which brings the total General Fund budgeted FTEs to 6,967.29.

Major Revenue Overview

<i>\$ in millions</i>	FY15 Proposed	FY15 May Revise	Variance
Property Tax	\$ 436.7	\$ 443.9	\$ 7.2
Sales Tax	257.1	257.1	-
Transient Occupancy Tax	91.1	92.3	1.2
Franchise Fees	70.7	70.7	-
	\$ 855.6	\$ 864.0	\$ 8.4

Major revenues (Property Tax, Sales Tax, Transient Occupancy Tax, and Franchise Fees) increased by \$8.4 million or 1.0% from the FY 2015 Proposed Budget due to increases in Property Tax and Transient Occupancy Tax (TOT), which are based on updated information from the San Diego County Assessor's Office and an increase in recent revenue distributions received by the City in FY 2014 above projected amounts, respectively. The General Fund's portion of TOT (5.5 cents of the total 10.5 cent assessment) has increased by \$1.2 million in the May Revise; however, total TOT (full 10.5 cent) has increased \$2.3 million. Both Franchise Fees and Sales Tax projections did not change from the Proposed Budget due to no new revenue distributions being received by the City since formulation of the budget (both revenues are distributed to the City on a quarterly basis). Based on our review, we believe these major revenue adjustments in the May Revise are prudent.

PRIMARY RESOURCES USED TO BALANCE MAY REVISE

Discussed below are the primary resources that were utilized to balance the May Revise and our comments regarding them:

Property Tax - \$7.2 million

The May Revise includes an increase of \$7.2 million in property tax revenue based on an updated estimate of assessed valuation and increases in projected Redevelopment Property Tax Trust Fund (RPTTF) receipts. The FY 2015 Proposed Budget assumed year-over-year growth of 3.5% in property tax revenues. Since the release of the Proposed Budget, the County Assessor's Office provided a letter stating that a preliminary review of assessed valuation for FY 2015 indicates that the City's assessed valuation will increase by 4.8%. The May Revise accordingly includes an increase in the expected Property Tax growth rate from 3.5% to 4.75%, which we support.

After release of the May Revise, subsequent discussions with the County Assessor's Office have indicated that the City can expect an increase in assessed valuation of just over 5% for FY 2015, from the 4.75% included in the May Revise, which would result in an additional \$1.5 million in revenue. We have considered this new information in our final recommendations.

Transient Occupancy Tax - \$2.3 million

In the May Revise, the General Fund portion (5.5 cents of the total 10.5 cent assessment) of the transient occupancy tax (TOT) projection is increased by \$1.2 million. This increase is based on revised year-end TOT revenue projections for FY 2014, which have increased relative to projections made in the Mid-Year Budget Monitoring Report, as was noted in our office's review

of the FY 2015 Proposed Budget. The May Revise also includes an increase of approximately \$771,000 in TOT reimbursements to the Park and Recreation and Economic Development Departments for tourism-related expenditures that corresponds to the revised year-end projections (4.0 cents) and approximately \$300,000 in Council discretionary funds (1.0 cent) for a total of \$2.3 million. The projected growth in TOT over FY 2015 remains budgeted at 5.5%, consistent with the projected growth forecast in the Proposed Budget and we believe this is a reasonable assumption.

Debt Service Savings - \$1.7 million

In our recent Review of the Fiscal Year 2015 Proposed Budget, we identified approximately \$2.0 million of \$4.2 million in budgeted annual debt service for the first series of deferred capital bonds (DC3) as a potential resource for Council consideration. We made the suggestion understanding that unanticipated legal challenges would likely delay the issuance of bonds until the fall thereby eliminating the need to make one of two substantially equal debt service payments in FY 2015.

A reduction of \$1.7 million in budgeted debt service for the DC3 bonds was included in the May Revise as a one-time resource. The Debt Management Director indicates \$1.7 million was reduced (instead of the recommended \$2.0 million) to provide a cushion for unknown variables (timing of the issuance, interest rates at the time of issuance, bond sizing, etc.). Given the uncertainties associated with the pending DC3 bond issuance, the IBA believes it is reasonable to maintain this cushion.

Convention Center Expansion Project Reimbursements - \$0.5million

The proposed FY 2015 General Fund budget includes a \$1.5 million reimbursement for General Fund advances in support of the Convention Center Expansion Project (Project). In order to advance the Project, \$1.0 million was transferred from the General Fund to further architectural work (Fentress Architects) and pre-construction services (Clark/Hunt) in October 2012. Reimbursement for the \$1.0 million advance was included in the FY 2015 Proposed Budget.

On May 13, 2014, the General Fund advanced another \$500,000 for geotechnical testing and a traffic study needed for Project-related utilities/road realignments. Reimbursement for the \$500,000 advance was included in the May Revise to the FY 2015 Proposed Budget.

The planned \$1.5 million reimbursement to the General Fund in FY 2015 is contingent on court decisions (related to legal challenges) that will enable the City to issue bonds in support of the Project. The City is preparing to make oral arguments in the Court of Appeal in July 2014 and expects a Court decision by the fall. If the City receives a favorable decision and if that decision is not further appealed, bonds can be issued in FY 2015 to facilitate the reimbursement; however, that outcome is not entirely certain.

Risk Management Administration Fund Balance - \$0.5 million

During our FY 2015 Proposed Budget review, we had noted that available fund balance was projected to be \$900,000 at the end of FY 2014, and that concurrent with any adjustments to the May Revise, projected available fund balance should be reevaluated to see if citywide contributions to the Risk Management Fund could be reduced for FY 2015. Available fund

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balance has been taken into account in the May Revise, and citywide contributions to the Risk Management Administration Fund have been reduced by \$750,000 (\$495,000 for the General Fund) for FY 2015.

TOP COUNCIL EXPENDITURE PRIORITIES ADDRESSED IN THE PROPOSED BUDGET AND MAY REVISE

On February 4, 2014 the City Council adopted the FY 2015 Council Budget Priorities Resolution No. 308731 which was forwarded to Interim Mayor Gloria for his consideration during the early stages of budget development, and subsequently provided to Mayor Faulconer to consider as he developed his funding proposal for the FY 2015 Proposed Budget. As shown in **Attachment One** to this report, the Mayor's expenditure proposals closely align with those prioritized by Councilmembers this past February. Between the Proposed Budget released on April 14, 2014 and the May Revise issued on May 20, 2014, the Mayor has recommended funding for 15 of the 17 areas addressed in the February 2014 Council Resolution.

The two remaining Council priorities in the Budget Resolution, **not proposed for funding** by the Mayor, are the establishment of an **Urban Forestry Program** and two positions to increase monitoring for **compliance with the City's Living Wage Ordinance**. One Council priority, not included in the Proposed Budget but **added in the May Revise**, is a **Sustainability Program Manager** to implement the Climate Action Plan. This position will also be charged with developing a comprehensive plan which ties together the community's goals, strategies, implementation plans and metrics for improving our community's overall sustainability.

With the Mayor's strong emphasis on public safety funding for FY 2015, many of the Council's top priorities were addressed in the Proposed Budget through increases in recruits for the Police academies; 17 new Police civilian positions; funding to continue a Police retention program; increased funding for Police equipment; funding for body-worn cameras for sworn officers; a new temporary Skyline Fire Station; two additional Fire academies; a new Fast Response Squad pilot program in Fire; new lifeguard positions for the Boating Safety Unit; and funding to renovate the Lifeguard Headquarters exclusively for public safety use.

The **May Revise** added funding for **Police helicopter maintenance** in response to issues of underfunding raised by our office at the hearings. To be even more prepared for fires, the **May Revise** included funding for additional **emergency operations equipment** and **personal protective equipment for firefighters** as well as additional funding for **brush management**, needed to help ensure service goals are achieved next fiscal year. The **May Revise** also included an **additional lifeguard position to be assigned to Windansea Beach** during the summer and to the Boating Safety Unit for the remainder of the year.

The Mayor and Council also share the same top priorities when it comes to providing funding for increasing service hours for the Central Library and branch libraries; expanding homeless services; opening new Parks and Recreation facilities coming on line in FY 2015; and adding Code Enforcement staff. Also included was funding for Civic San Diego to develop economic development tools that will help bring improvements to our diverse communities. All of these items were funded in the Proposed Budget.

The **May Revise** further increased funding for **homeless services by providing 25 triage beds**, for use by the Police Department's Homeless Outreach Team, in connecting individuals in need of emergency beds. The **May Revise** provides additional funding for **Civic San Diego** to develop **reuse opportunities for the Old Main Library** and assess the feasibility of a **public private investment fund** for transit-oriented developments in Encanto and City Heights.

The Proposed Budget committed 64% of new revenue growth (based on the four Major Revenue Categories), or \$22.0 million, to infrastructure and/or deferred capital, an ongoing top priority of both the Mayor and the City Council. Funding was included for condition assessments; maintenance and repair; deferred capital debt service; facilities maintenance staff; and storm water, street light and sidewalk improvements. The Mayor exceeded his commitment to dedicate at least 50% of new revenue growth for this purpose.

The **May Revise** included an additional \$2.7 million from new revenue growth identified in the May Revise for more infrastructure projects including **additional street lights; Silver Wing Park Field Lighting; a "Trail for All People"**(a paved trail within Black Mountain Open Space Park to accommodate people of all abilities); **Tierrasanta Community Park Field Lighting; and development of Wightman Street Neighborhood Park**. With the May Revise, the Mayor has committed 62% of total new revenue growth toward infrastructure and/or deferred capital.

The following chart shows items for possible revision that our office discussed in our April 28th review of the Mayor's Proposed Budget and identifies which ones have been included in the May Revise as new revenues and expenditures, added to the Proposed Budget.

ITEMS DISCUSSED IN IBA REVIEW (04/28/2014) NOW INCLUDED IN MAY REVISE			
<i>Potential Resources</i>		<i>Included in May Revise</i>	<i>Comments</i>
1	Potential increase in property tax growth rate from 3.5% to 4.0%	√	4.75% in May Revise - \$7.2 million
2	Moving to full cost recovery for Street Damage Fees		
3	Potential for reduced debt service needs in FY 2015	√	\$1.7 million reduction
<i>Potential Expenditures</i>			
1	Staff for effective enforcement of the Living Wage Ordinance (LWO)		
2	Program manager for Climate Action Plan	√	\$201,992 for Sustainability Program Manager
3	Civic San Diego funding requests	√	\$300,000 included (\$75,000 for reuse of Old Main Library, \$225,000 for Public Private Investment Fund)
4	Helicopter maintenance General Fund support	√	\$1.5 million
5	Traffic Engineer for planning	√	
6	Urban Forestry Program		
7	General Fund costs for Enterprise Asset Management (EAM) system implementation		

HOW CIP PROJECTS WERE PRIORITIZED FOR MAY REVISE FUNDING

As shown in the following table, about \$1.7 million of the \$2.7 million added in the May Revise is for four ongoing park projects which are either on the Waterfall List or are near the top of the Park & Recreation Unfunded Needs List in the FY 2015 Proposed Budget. This means that these projects have a relatively smaller amount of unidentified funding as a percentage of total project cost. Funding provided in the May Revise will fully fund construction to complete the projects.

The projects were prioritized for funding in the May Revise based on several factors, including whether they were shovel-ready/further along in completing design; had a high level of

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community support; and had alternative viable sources of funding. For example, three of the projects selected are located in Development Impact Fee (DIF) communities which have constrained resources, since fees are collected only on future development, typically resulting in a small percentage of funding available towards eligible projects community-wide.¹ In addition, the Wightman Street Neighborhood Park project lost state grant funding due to delays encountered during design from litigation filed by a third party.

Note that a project's priority score is calculated during project planning and is used when the project initially competes for funding. The priority score is generally not updated unless the project scope or existing site conditions change during the project design. As a result, the factors discussed above could outweigh the score as the basis for prioritization at later stages of the project.

GENERAL FUND PARK PROJECTS		
Project	May Revise	Notes
Silver Wing Neighborhood Park Sports Field Lighting	\$ 600,000	<ul style="list-style-type: none"> Will fund construction and complete project Design Completed in FY 2012 DIF Community Waterfall and Unfunded Needs lists Priority Score:74 (high)
Tierrasanta Community Park Sports Field Lighting	\$ 47,000	<ul style="list-style-type: none"> Will fund construction and complete project Anticipated DC 3 Funding of \$400,000 DIF Community Unfunded Needs list Priority Score: 91 (high)
Trail for All People	\$ 100,000	<ul style="list-style-type: none"> Will fund construction and complete project Design completed in FY 2014 Transects two FBA communities, but not included in PFFPs (project not identified as a specific need when PFFP completed) Waterfall list and Unfunded Needs list Priority Score:54 (medium)
Wightman Street Neighborhood Park	\$ 970,000	<ul style="list-style-type: none"> Will fund construction and complete project Design completed in FY 2013 DIF Community Unfunded Needs list Priority Score: 49 (medium)

GENERAL FUND RESERVE AND EXCESS EQUITY

The total General Fund reserve estimate is \$166.6 million based on year-end FY 2014 projected operations in the General Fund and the re-budgeting of \$1.7 million in City Council Community Projects, Programs and Services. The minimum Reserve Policy requirement remains at 14.0% of the last three years average of audited revenues or \$149.8 million, leaving \$16.8 million of excess equity, which is considered a one-time resource.

¹ In comparison, fees collected in Facilities Benefit Assessments (FBA) communities generally cover 100% of infrastructure that is included in each community's Public Facilities Financing Plan.

The May Revise report recommends putting \$12.8 million in the Public Liability Reserve (see detailed discussion in the Public Liability section of this report), and recommends not appropriating the remaining \$4.0 million and setting it aside to address potential negative effects due to redevelopment dissolution and other potential impacts. For example, the State Department of Finance denied \$350,000 for the Valencia Business Park project on Recognized Obligation Payment Schedule (ROPS) 6. If the project contemplated by the original U.S. Department of Housing and Urban Development (HUD) Section 108 loan documents cannot be accomplished without further delay, HUD could demand that the City repay about \$6.0 million (the amount of the original loan plus interest).

We concur with setting aside some excess equity to hedge against the risks associated with redevelopment dissolution in FY 2015. While we would not recommend spending the full or a significant portion of the \$4.0 million, it would not be inappropriate for Council to consider utilizing a small portion of this one-time resource to address a priority one-time funding need. However, spending the full amount would remove all of the City's flexibility for addressing potential risks.

As discussed at the Budget and Government Efficiency Committee on May 22, 2014, proposed revisions to the Reserve Policy require the Mayor to identify the amount of excess equity in the May Revise, and the Reserve Policy states that the Mayor may make a recommendation for its use for reserves and/or one-time capital needs. City Council then has full discretion to modify the Mayor's proposal during budget deliberations, subject to the Mayor's veto, provided the proposed uses are one-time. This is consistent with the City Council-approved Structural Budget Deficit Elimination Guiding Principles (Resolution R-305615), which states that one-time resources must be matched to one-time expenditures.

PUBLIC LIABILITY RESERVE

The projected FY 2014 Public Liability Reserve balance remains unchanged at \$35.4 million based on the following actions:

- The FY 2015 reserve contribution of \$3.2 million that was prefunded in FY 2014
- Estimated General Fund claims funding in FY 2014 of \$28.1 million, including:
 - \$14.5 million in the Adopted Budget
 - \$10.1 million in Mid-Year Budget adjustment funding
 - An additional \$3.5 million identified in the Year-End Budget Monitoring Report

The following table outlines the changes to the Public Liability Reserve estimates since the Proposed Budget.

The May Revise anticipates \$12.8 million in excess equity contributions to the Public Liability Reserve, bringing the balance to \$48.2 million – which is equal to the City Reserve Policy target amount of 50% of outstanding actuarial liabilities. However, the City anticipates using \$9.5 million in FY 2015 for additional claims that were not budgeted in the FY 2015 Proposed Budget. Reducing the Reserve for this \$9.5 million will bring the FY 2015 year-end balance down to \$38.7 million, which is 40% of outstanding actuarial liabilities. This anticipated balance

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is \$3.3 million higher than the FY 2015 Reserve Policy target of \$35.4 million, or 37% of actuarial liabilities.

Public Liability Reserve Estimates Based on May Revise

Description	Amount (in millions)	Liability % ¹
FY 2014 Projected Reserve Balance	\$ 35.4	37%
Estimated Excess Equity Contribution per FY 2015 May Revise	12.8	
Subtotal - Before Estimated Use of Reserve for Additional Claims	48.2	50%
Transfer from Reserve for Additional Estimated Claims	(9.5)	
FY 2015 Projected/Proposed Reserve Balance	38.7	40%
FY 2015 Reserve Policy Target	35.4	37%
Difference Between FY 2015 Target and Proposed Reserve Balance	\$ 3.3	

¹ Based on the average value of the annual actuarial liabilities for FY 2011-2013, or \$96.5 million.

Our office supports the May Revise proposal to use \$12.8 million in excess equity to increase the Public Liability Reserves to 50% of outstanding claims at the beginning of FY 2015, consistent with our Public Liability Reserve Policy target. This is also consistent with City Council's recommendation during the discussion of the Mid-Year Budget Adjustments on March 3, 2014.

KEY RESULTS OF COUNCILMEMBERS' FINAL BUDGET PRIORITY MEMOS & ADDITIONAL IBA RECOMMENDATIONS

Councilmembers' FY 2015 final budget priority memos are transmitted in IBA Report #14-21, which was issued on June 4, 2014, and will be included in the City Council back-up material for the June 9th City Council meeting. **A proposal to revisit the City's current property tax projection and consider an increase in its growth rate is the single resource suggestion mentioned by a majority of City Councilmembers.** Based on our review, we have incorporated a property tax increase, in addition to what is included in the May Revise, into our final recommendations.

Resource items mentioned in the memos by less than a majority of Council include:

- Potential Use of \$4.0 Million Excess Equity
- Expansion of Alternative Work Schedules
- Expansion of Corporate Partnerships
- Potential Reduction in Cost Estimates Related to Email Retention Policy
- Potential Increase in TOT Growth Rate from 5.5% to 6%

All of these resource suggestions are discussed in greater detail in the following sections of this report.

Expenditure priorities mentioned by a majority of Council include:

- Park Ranger(s) for Chollas Lake, La Jolla Coastline or Sunset Cliffs Park
- Urban Forestry Program

- Building Inspection Expansion for Storm Water Regulations
- Personnel Department Hiring Process Improvements
- Living Wage Ordinance Enforcement
- Arts and Culture Funding Increase to FY 2014 Level
- Community Planning Group Administrative Support
- Reinstatement of Library Materials Budget
- Pacific Breezes Community Park Construction Acceleration

Based on our review, we have made recommendations for funding all or a portion of the expenditure items noted above with the exception of Pacific Breeze Community Park construction. With regard to the Pacific Breeze Community Park, we believe alternative ways for accelerating its construction should be exhausted before General Funds are considered for this purpose. We also believe General Funds should normally be reserved for programs and services that are heavily reliant on the General Fund and have no known funding alternatives. Additionally, the \$5.5 million that is needed to accelerate the Park's construction would require the full \$4.0 million in excess equity as well as additional budget adjustments of \$1.5 million. Eliminating the excess equity would limit the City's flexibility for addressing potential risks to the General Fund. **Attachment Two** provides additional information on potential alternative funding for Pacific Breeze Community Park and also discusses several expenditure priorities mentioned by less than a majority of the Council.

Items we recommend for inclusion in the final budget based on Council priority memos are discussed in greater detail in the following sections of this report.

Discussion of Councilmember Revenue Proposals

Council Proposal to Potentially Increase Property Tax Revenue

During the development of the May Revise, the San Diego County Assessor's Office published their preliminary projection for assessed valuation (AV) change within the City of San Diego. The total AV for the City was estimated by the Assessor at \$194.2 billion as of January 1, 2014, which is the valuation that determines property tax bills sent to citizens of San Diego in FY 2015. This is an increase of approximately 4.8% from the prior year's AV, and led to the May Revise Property Tax growth rate projection of 4.75%. However, subsequent to this notice, our Office contacted the Assessor to determine if a more finalized estimate had been prepared for the City. Based on discussions with the Division Chief of the San Diego County Assessor's Office, we have revised the growth rate to a 5.1% change in AV.

A majority of Councilmembers requested in their memos that an increase to the property tax growth rate be considered. Based on new information from the San Diego County Assessor's Office, we recommend that the City Council adopt a revised Property Tax revenue projection with a 5.1% growth estimate for all categories of Property Tax revenues. This would revise the Property Tax revenue estimate as follows:

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	May Revise - 4.75% Growth	IBA Revise - 5.1% Growth	Variance
1% Property Tax	313,281,281	314,336,269	1,054,988
MVLF Backfill	113,588,556	113,968,088	379,532
RPTTF Sharing	4,201,482	4,215,520	14,038
RPTTF Residual	12,812,761	12,908,815	96,054
TOTAL	\$ 443,884,080	\$ 445,428,692	\$ 1,544,612

Adjusting Property Tax projections for a 5.1% growth rate provides approximately \$1.5 million in additional resources for Council direction during final budget deliberations.

Excess Equity

A number of Councilmembers identified General Fund excess equity as a potential resource to be utilized in final budget decisions. As mentioned previously in this report in the *General Fund and Excess Equity* section, the total projected excess equity available for FY 2015 is \$4.0 million, which may be required as a hedge against potential negative impacts of redevelopment dissolution. While we do not recommend utilizing all or a significant portion of the \$4.0 million in final FY 2015 budget decisions, it would not be inappropriate for Council to consider utilizing a small portion of this excess equity for a priority one-time expenditure. This is within Council's authority and consistent with the City's financial policies.

Alternative Work Schedules

Several Councilmembers suggested alternative or flexible work schedules be considered City-wide in order to achieve savings. The memos referenced the savings that have been achieved through work schedule adjustments in the Environmental Services Department. Effective FY 2010, work shifts for Collection Services were changed from 8 hours/5 days a week to 10 hours/4 days per week resulting in annual savings of approximately \$4.5 million. This schedule change remains in place nearly four years later. A significant portion of these savings are attributable to large decreases in truck utilization and related vehicle maintenance costs. The opportunity for significant savings in these particular cost areas may not be transferable to other departments. However, other opportunities for generating savings and increasing efficiencies through work schedule adjustments, while perhaps also improving employee morale, are worth exploring. In discussing this with the Mayor's Office, COO Scott Chadwick indicated that the Mayor will be looking into such opportunities, along with other efficiency measures, over the course of the next fiscal year.

Corporate Sponsorships and Public-Private Partnerships

Noting that partnerships benefit taxpayers and strengthen the General Fund, one budget priority memo suggested the City continue to explore innovative ways and revisit existing codes and policies, in order to encourage private industry to partner with the City. The IBA supports the development of beneficial public-private partnerships and believes the City's Corporate Partnership and Development Program (now within the Office of the Assistant ACOO) is focused on developing these opportunities.

The FY 2015 Proposed Budget includes \$450,000 of revenue attributable to new or pre-existing corporate partnerships. A few examples of current partnerships include Sprint Wireless, Canteen vending and the Service Line Warranties program. After discussing expectations for the

program with the Corporate Partnership Program Director, the IBA believes the revenue goal of \$450,000 for FY 2015 is reasonable.

Email Archiving Funds

In the FY 2015 Proposed Budget, \$500,000 (\$255,000 General Fund) was included to establish an email archiving system and transition older emails from their current locations to a single system. These funds will also be used for software needed in order to respond to PRA requests and annual maintenance costs. In Council President Gloria's budget priority memo, it was suggested that these funds could be used for other priorities if the full amount was not needed. Although ongoing costs to operate and maintain the archiving system may be less in future fiscal years, we agree with staff that at this time that \$500,000 should remain in the budget for this purpose until more information is available. An RFP is expected to go out on July 1st, and the proposals will allow the Department of IT to refine this estimate in the September timeframe, if necessary.

Potential Increase in Transient Occupancy Tax Revenue

In two Councilmembers' priority memos, it was recommended that increasing the Transient Occupancy Tax (TOT) growth rate be considered in final budget deliberations (one Councilmember specifically mentioned increasing the 5.5% growth rate included in the May Revise to 6.0%). We currently do not recommend adjusting the TOT growth rate upwards until additional revenue is received by the City and further growth trends can be determined. If the TOT revenue projected growth rate were to be revised to 6.0%, this would provide approximately \$0.8 million (approximately \$0.5 million would be allocated to the General Fund and \$0.3 million would be allocated to the Special Promotions Program).

IBA Identified Resources

Civic San Diego

We believe that \$50,000 for Civic San Diego (CivicSD) to maintain the downtown public restrooms (Portland Loos located adjacent to Tailgate Park in the East Village) and port-a-potties, which was included in the FY 2015 base budget in the Environmental Services Department, may have been overlooked and has been included in the May Revise, as well. As a result, we believe \$50,000 of the \$300,000 funded in the May Revise is available for reallocation. With this reduction, a total of \$550,000 is still included in CivicSD's budget to maintain the restrooms and for economic development activities.

This IBA identified resource for the FY 2015 budget, in addition to other issues relating to the General Fund allocation for Civic San Diego, are discussed in **Attachment Three** to this report.

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Discussion of Councilmember Expenditure Proposals

The following items were mentioned by five or more members of the City Council in their budget priority memos and are recommended for funding.

Park Ranger(s) for Chollas Lake OR La Jolla Coastline OR Sunset Cliffs Park \$115,000

The FY 2015 Proposed Budget supports 35 park ranger positions. The park ranger program primarily extends to open space parks and parks intended to serve the citywide population and visitors including Mission Bay Park, Balboa Park, Presidio Park, and Chollas Lake Park.

The following chart provides current budgeted (FY 2014) park ranger staffing for each site:

Site	Number of Park Rangers
Balboa Park	6
Chollas Lake	1
Presidio Park and Mission Hills Park	1
Mission Bay Park	5
Open Space Parks	21
Shoreline (currently assigned to Children's Pool)	1
TOTAL	35

The San Diego Park System includes over 41,000 acres, of which approximately 26,000 acres is open space. Twenty-one (21) park rangers are assigned to the open space coverage area resulting in approximately one ranger for every 1,250 acres of open space. One park ranger position was added in the FY 2015 Proposed Budget to assist the Department in reaching the benchmark ratio of one park ranger for approximately every 650 acres of open space.

For the Balboa Park area, there is a “pool” of park ranger resources that provide coverage for Balboa Park, Presidio Park and Mission Hills Park, and Chollas Lake. While each area has established coverage hours, additional resources from within the “pool” are used to supplement the coverage hours. An example of this would be park rangers, assisting in the opening/closing of parks and early morning patrols outside of the normal location and coverage hours.

While the Open Space and Balboa Park area parks have a structured program, the coastline ranger coverage is primarily for the Children's Pool to meet the commitments of the Coastal Development Permit for the rope barrier. The need to provide coverage to approximately 26 miles of coastline with limited resources has led to other City departments, such as the Police and Fire-Rescue Departments, assisting in providing service to the public.

A majority of the Council memos requested consideration be given to adding a Park Ranger(s) although the requests varied somewhat in terms of the areas identified as requiring coverage. The three areas identified in memos for needing additional ranger support were Chollas Lake, the La Jolla Coastline and Sunset Cliffs Park. Based on discussions with the Department, they anticipate the most critical need at this time to be the Coastline area. Funding a new ranger for this area would begin to build a pool of ranger resources in this location similar to what has developed in the Balboa Park area. An additional ranger along the Coastline could also potentially alleviate or mitigate the need for drawing on assistance from other City departments.

Citywide Urban Forestry Program and Coordinator - \$186,000

A majority of Councilmembers identified implementation of a Citywide Urban Forestry Program as a budget priority. The purpose of the program would be to identify strategies and policies for proactively managing the City's trees; coordinate citywide tree services; serve as a liaison to the Community Forest Advisory Board (CFAB) and other community groups; and provide technical and professional guidance. Several City Departments are involved in tree-related services. The Transportation & Storm Water (TSW) and Park & Recreation departments both have horticulturalist positions and provide maintenance and care for City trees. In addition, the Planning & Neighborhoods Department conducts community plan updates, which include planning for parks, creation of street tree master plans, and identifying opportunities for green streets.

Staff from these departments agree that the Planning Department is the most appropriate entity to house a Citywide Urban Forestry Program since its focus is on policy, planning, and coordinating among City departments and currently manages existing urban forestry and greening grants. Specifically, the Citywide Urban Forestry Program would be located within the Environmental and Resource Analysis (E&RA) Division.

Staff recommended that the Urban Forestry Coordinator be a program manager position with preferred qualifications as a certified arborist, and would require \$186,000 in personnel and related non-personnel expenses. An additional \$100,000 in non-personnel expenses could be used to begin to outline the Citywide Urban Forestry Program and supplement existing grant funds for developing an Urban Forest Management Plan and creating Urban Greening Plans for North Bay and City Heights. We recommend initial funding of \$186,000 to start this program in FY 2015 and consideration of adding \$100,000 for non-personnel expenses in future years.

Note that the Tree Warden position mentioned in a Councilmember priority memo and by citizens during budget hearings is discussed in *Attachment Two*.

Combination Inspector II for Storm Water Regulations - \$115,000

The Municipal Storm Water Permit (Permit) issued by the Regional Water Quality Control Board (Regional Board) to the City requires the implementation of programs to reduce pollutants in storm water and urban runoff. Failure to implement these programs and enforce the corresponding pollution regulations could result in fines or other remedies against the City.

In 2011, the Transportation and Storm Water Department referred 170 properties to the code enforcement section of the Development Services Department (DSD) for violations of the City water pollution prevention regulations. An additional 188 cases were referred to the code enforcement section in 2012 and approximately 100 to 150 new cases are anticipated every year for the next five years. No additional staff has been added to DSD to specifically address these types of violations.

One Combination Inspector II was requested by the Department during the development of the FY 2015 Proposed Budget to support the Division's enforcement efforts, however the funding request was not included as part of the final proposed budget. The Department continues to support the addition of this position.

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The addition and dedication of one Combination Inspector II to the Code Enforcement Division of DSD for storm water regulations is warranted for proactive storm water inspections, enforcement of current violations, and preparation of remedial actions. This field staff is important for meeting the Permit obligations required of the city and could prevent future violations and costly settlements with the Regional Board.

The FY 2015 May Revise includes the addition of approximately \$250,000 in non-personnel expenditures for such a settlement (General Fund). The proposed settlement between the City and the Regional Board requires the City to address 142 private properties that remain out of compliance with storm water regulations by August 2016. DSD is in the process of taking enforcement actions against the private sites to bring them into compliance.

Our office supports the addition of the Combination Inspector II as an ongoing position until such a time that new storm water regulations can be updated and the full backlog of violations can be remedied. We would recommend that DSD staff update the volume of enforcement actions during the annual budget process.

Personnel Department Positions (\$216,000) & Additional Funding for Training (\$5,000) - \$221,000

Over the past year, three City Council Committees have explored issues surrounding vacancies and the hiring process. The IBA has released three related reports (reports 13-14, 13-30 and 14-01), and the City Auditor released an audit in November 2013.

Based on review of the Personnel Department's process issues, \$8,000 was provided as part of the Mid-Year Budget Adjustments to hire a consultant to advise on NEOGOV utilization. The consultant recommended that hiring departments' be provided access to the Online Hiring Center for direct access in requesting/receiving eligible candidate lists and reviewing candidate applications within the system, and that additional staff training be provided in the use of NEOGOV.

The Personnel Department has indicated that Personnel staffing increases are necessary in order to continue making improvements and keep up with the increased workload. During the FY 2015 budget process, Personnel requested eight positions that were not funded in the Proposed Budget. These positions were also identified in a memorandum sent on April 17, 2013 from the Personnel Director to Council President Pro Tem Lightner which speaks to suggestions for ways to enhance the hiring process.

As part of the FY 2015 Budget Priorities memos, a majority of Councilmembers recommended that two additional positions for the Personnel Department be considered as priorities for additional funding. The two positions the Personnel Department considers most critical would support the use of NEOGOV, at an estimated cost of \$216,000:

- An Information Systems Analyst II would support NEOGOV system maintenance and upgrades, develop and provide reports from the system, as well as manage citywide security roles and access to the system.
- An Associate Personnel Analyst would directly assist the hiring departments, including training departments' staff in the use of the NEOGOV system.

A pilot program for direct access to NEOGOV with a large/active hiring department would be implemented prior to citywide access. Once the pilot has been in place a few months, the impacts can be measured and comparisons to the current process can be made. We recommend that the Personnel Department, working with the pilot department, present the results of the pilot program to the Budget and Government Efficiency (B&GE) Committee no later than January 2015.

At the Economic Development & Intergovernmental Relations Committee of February 13, 2014, the Committee requested that the Personnel Director provide a report on the feasibility of the IBA recommendations for process improvements. Personnel has committed to presenting this information to the B&GE Committee on July 16, 2014. We further recommend that updates be provided to the B&GE Committee on a quarterly basis.

Lastly, the Personnel Department also requested increased funding of \$5,000 for staff training related to NEOGOV, which was not funded in the FY 2015 Proposed Budget or May Revise. We recommend funding also be provided for this purpose.

Additional Staffing for Enforcement of Living Wage Ordinance (LWO) - \$116,000

On February 10, 2014, the City Council adopted amendments to the Living Wage Program intended to clean up, clarify and strengthen enforcement of the LWO. In making her presentation to Council, the LWO Supervisor indicated the Program has not been adequately staffed since its inception and that additional staff would help to better administer and enforce LWO provisions. All aspects of the Program are currently performed by 2.00 FTEs (1.00 Supervising Management Analyst and 1.00 Senior Management Analyst).

In their budget priority memos, six Councilmembers expressed interest in adding staff to enhance administration, monitoring and enforcement of the City's LWO. Four of the six Councilmembers only proposed adding a Senior Management Analyst and two additionally proposed adding a Program Manager. Based on our conversations with the LWO Program Supervisor, the IBA recommends Council add \$116,000 for 1.00 Senior Management Analyst at this time and that the B&GE Committee review the adequacy of staffing during the next scheduled annual report on the Program in FY 2015.

Restoration of Funding for Arts, Culture, and Community Festivals - \$252,000

Total funding in FY 2015 for Arts, Culture, and Community Festivals (administered through the Commission for Arts & Culture) is \$9.7 million, which is 5.6% of total on-going TOT (\$176.3 million). In the majority of Councilmember memos, it was a priority to restore arts funding to FY 2014 Adopted Budget levels, which was 5.7% of total TOT. To restore funding to the same percentage of total TOT as in FY 2014, an additional \$252,000 in resources would be required to be allocated to the Commission. This number differs from the requested \$128,000 to restore the Arts budget from Councilmember memos.

	FY 2014 Adopted Budget	FY 2015 May Revise	Restored Funding	Variance
Total TOT Revenue	167,727,955	176,270,736	176,270,736	
Arts & Culture Commission Funding	9,552,971	9,788,441	10,039,526	251,085
% of Total TOT Revenue	5.7%	5.6%	5.7%	

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Planning Clerical Staff (\$67,000) and Support for Community Planning Groups' Operational Expenses (\$20,500) - \$87,500

A majority of Council members identified \$20,500 to support Community Planning Groups' (CPG) operational expenses as a budget priority. Our Office concurs with providing a level of administrative support to the 41 CPG's who serve in a volunteer capacity, and who currently have limited support for basic operational needs such as printing, room rental, and mailings. However, we believe allocating \$500 to each of the 41 CPG's as proposed is problematic on several levels and will require an unnecessary amount of processing, monitoring and oversight. We believe a better approach is for the Planning Department to directly provide a defined level of service to the CPG's in-house, on an as-needed basis, avoiding a cumbersome process of screening and approving expenditures and processing reimbursements. The Planning Department believes this is a preferred approach as well; however, staff have indicated that an additional clerical position would be needed in addition to the \$20,500 for non-personnel expenses such as supplies. The Department's City Planning Division currently only has 1.00 Account Clerk who handles all purchase requisitions and purchase orders, deposits, and invoice payments but does not have capacity to provide other general support.

As part of their FY 2015 budget proposal, 5.00 administrative positions were requested to support the City Planning and Environmental & Resource Analysis Divisions—2.00 Word Processors; 2.00 Clerical Assistant 2, one of which was requested specifically for Brown Act compliance and CPG support; and 1.00 Senior Clerk/Typist. These same positions were eliminated during the mandatory General Fund budget reductions in previous years. One Word Processing Operator to support the newly formed CEQA & Environmental Policy section of the Environmental & Resource Analysis Division was funded in the Mayor's Proposed Budget, the other 4.00 positions were not. In our review of the FY 2015 Proposed Budget, we noted that consideration be given to adding an administrative position for the Department since we believe it lacks sufficient support, and many of the financial and administrative tasks are being performed by planners that could be done at a lower cost by administrative staff. An additional clerical position would provide support for existing duties as well as provide enhanced support to the CPGs. We are recommending funding 1.00 Clerical Assistant 2 at \$67,000 annually plus \$20,500 for non-personnel expenses for total funding needs of \$87,500.

Reinstatement of Library Materials Budget - \$500,000

The library materials budget includes print (books and serial publications), audio-visual materials such as audiobooks, music, and DVDs, and has expanded to include electronic resources such as ebooks, evideos, and databases from magazines, journals, and newspapers.

The FY 2015 Proposed Budget reduced the library materials budget by \$500,000 to support the new pilot Do Your Homework @ the Library Afterschool Program. The proposed reduction would decrease the total library materials budget (total includes estimated Matching Book and Electronic Resources funds) from \$3.5 million to \$3.0 million for FY 2015. The table below illustrates the library materials budget from FY 2011 to FY 2015 (proposed).

LIBRARY MATERIALS ANNUAL BUDGET

Fiscal Year	General Fund Adopted Materials Budget	Matching Book and Electronic Resources Funds Budget¹	Total
FY 2015 ²	\$1,300,000	\$1,700,000	\$3,000,000
FY 2014 ²	\$1,800,000	\$1,700,000	\$3,500,000
FY 2013	\$1,644,563	\$2,368,410	\$4,012,973
FY 2012	\$1,637,963	\$2,608,000	\$4,245,963
FY 2011	\$1,637,963	\$3,537,728	\$5,175,691

1. Total Matching Funds budget available during the Fiscal Year.

2. Matching Funds estimate.

A majority of the Council memos requested consideration be given to restoring this one-time reduction. To accommodate this, our office has identified \$48,500 in one-time funding from excess equity as a funding source, and \$451,500 from the proposed property growth rate increase.

Also, should the pilot homework program be continued beyond FY 2015, we recommend an alternative on-going revenue source be identified, and the library materials budget not be considered as a funding source for this program in the future. Finally, during the budget hearing for the Library Department, the Director informed the Council that a comprehensive assessment of their approach to materials acquisition was planned for FY 2015. Regardless of this reinstatement of the library materials budget, this assessment will still be valuable given the changing environment of library materials and the use of technology.

IBA Identified Priority Expenditures***Related Infrastructure Costs for Police Body Worn Cameras - \$140,000***

The FY 2015 Proposed Budget includes an expenditure of \$1.0 million for the Police Department's body worn camera program, which is intended to outfit patrol officers with cameras in order to record enforcement-related contacts. The FY 2014 Mid-Year Budget Adjustments included an additional expenditure of \$1.0 million for this purpose. In total, the department anticipates an expenditure of approximately \$2.0 million by the end of FY 2015 on 600 body worn cameras.

At its meeting on May 14, 2014, the Public Safety & Livable Neighborhoods Committee approved a contract with TASER International, Inc., for the purchase of 300 cameras in FY 2014 and 300 cameras in FY 2015 at a cost of approximately \$2.0 million, including evidence storage and technical support. The contract contains multiple year options for an additional 400 cameras in FY 2016 and additional storage purchases in FY 2017 and FY 2018. The City Council will consider the contract at its meeting on June 10, 2014.

The department has indicated that its current information technology infrastructure will not support the full body worn camera project and will require upgrades. While exact costs have not yet been finalized, the department estimates that these infrastructure upgrades will likely cost up to \$140,000 in FY 2015. Preliminary estimates suggest that of this amount, approximately \$90,000 would be one-time costs and \$50,000 would be ongoing costs. The department has

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indicated that related costs in FY 2014 will be minimal and can be absorbed within its current budget.

We recommend the one-time utilization of \$90,000 of excess equity and the ongoing use of \$50,000 of newly identified General Fund resources to fund information technology infrastructure improvements related to the Police Department body worn camera project.

IBA FINAL RECOMMENDED REVISIONS TO THE BUDGET

The chart below summarizes the Office of the IBA's final recommended revisions to the FY 2015 budget for Council consideration. An approximate \$1.6 million from a proposed increase in Property Tax and expenditure reduction provide sufficient resources to offset the IBA's proposed expenditures that are considered on-going; and an additional \$138,500 in excess equity funds the IBA proposed one-time expenditures.

In ***Attachment Four*** to this report, we also point out some significant policy and / or budgetary issues that we have previously raised or are priorities for Council that are require attention in FY 2015 that should be brought forward for discussion at the appropriate Committee.

IBA RECOMMENDED REVISIONS FOR FY 2015 BUDGET			
RESOURCES		EXPENDITURES	
Increase in Property Tax Revenue Projection	\$ 1,544,000	1.00 FTE Park Ranger	\$ 115,000
Reallocation of Civic San Diego Funding ¹	50,000	1.00 FTE Urban Forestry Position	186,000
		1.00 FTE Combination Inspector II for Storm Water Regulation	115,000
		2.00 FTEs Personnel Department	221,000
		1.00 FTE Living Wage Ordinance	116,000
		Restoration of Arts & Culture Funding	252,000
		1.00 FTE Planning Department Clerical Assistant II & Community Planning Group Support	87,500
		Restoration of Library Materials Using Ongoing Resources ³	451,500
		Police Body Camera Bandwidth Subscription Costs ²	50,000
Sub-Total Additional Ongoing Resources	\$ 1,594,000	Sub-Total Additional Expenditures Using Ongoing Resources	\$ 1,594,000
Utilization of Excess Equity	\$ 138,500	Restoration of Library Materials Budget Using Excess Equity ³	\$ 48,500
		Bandwidth Expansion for Police Body Cameras ²	90,000
Sub-Total Additional One Time Resources	\$ 138,500	Sub-Total Additional Expenditures Using One Time Resources	\$ 138,500
Total Additional Resources	\$ 1,732,500	Total Additional Expenditures	\$ 1,732,500

1 - Technical correction to address a double funding of Portland Loos maintenance in both Civic SD and the Environmental Services Department

2 - Required one-time and on-going information technology upgrades to fully support body worn cameras

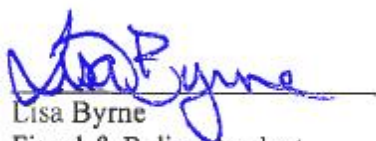
3 - Total cost of restoration of library materials is \$500,000



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Attachment 1: Comparison of City Council FY 2015 Budget Priorities Resolution to Mayor's Budget Based on May Revision

Attachment 2: Items Mentioned in City Councilmember Priority Memos Not Recommended for Funding

Attachment 3: Discussion of Civic San Diego General Fund Allocation

Attachment 4: Policy / Budget Issues Requiring Attention in FY 2015

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ATTACHMENT ONE

COMPARISON OF CITY COUNCIL FY 2015 BUDGET PRIORITIES RESOLUTION TO MAYOR'S BUDGET BASED ON MAY REVISION			
BUDGET PRIORITY		IN FY 2015 BUDGET	COMMENTS
<i>Enhancing Public Safety</i>			
1	Police Department Five-Year Plan	P	\$5.7 million in funding
	Addition of Sworn Personnel	Y	4 academies at 43 recruits each plus full year funding for 9 recruits added to the May 2014 academy through FY 2014 Mid-Year actions
	Addition of Civilian Personnel	Y	17 new positions
	Vehicles & Equipment	P	\$244,000 equipment for new recruits, no funding for vehicles
	Computer Aided Dispatch System Funding	P	\$6.9 million was provided in FY 2013 (later reduced to \$3.9 million in FY 2014) and is expected to be sufficient until FY 2016. To be determined whether remaining CAD acquisition costs will be cash or lease-purchase financed
2	Police Department Retention Program	Y	\$3.2 million included
3	Continued Implementation of Citygate Report Recommendations (Eastside Mission Valley, Skyline Drive, and Home Avenue Fire Stations)	Y	\$950,000 funding included for Skyline temporary station operations. Construction funding of Eastside Mission Valley station, partial funding for permanent Skyline station and Home Avenue station is provided through deferred capital bonds and other sources
4	Restoring Lifeguard Headquarters to Full Use for Public Safety	Y	\$500,000 for facility renovations
5	Expansion of Boating Safety Unit	Y	4 new lifeguard positions
<i>Community Services</i>			
6	Increase Hours for Central and Branch Libraries	Y	Minimum of 4 new hours at all branch libraries, 5 new hours at Central Library for a total of 48 and 54 hours, respectively
7	Continuation and Expansion of Funding for Homeless Services	Y	\$1.9 million for comprehensive solutions and \$150,000 added in May Revise for 25 triage / assessment beds
8	Establishment of Urban Forestry Program & Citywide Tree Maintenance	-	
<i>Infrastructure & Deferred Capital</i>			
9	Address Critical Sidewalk Repair Needs (Sidewalk Condition Assessment, Construction of Sidewalks, Increase Funding of City's 50/50 Program)	P	\$1.5 million for sidewalk assessment / sidewalk and street light improvements
<i>Operational & Policy Funding</i>			
10	Creation of Chief Data Officer Position	Y	Funding of \$202,000 included for position in Proposed Budget
11	Improvement of City of San Diego Website	Y	FY 2014 Mid-Year funding of \$258,000 provided (\$450,000 total)
12	Program Manager Position to Advance City's Climate Action Plan	Y	\$201,992 for 1.00 FTE Sustainability Program Manager in Economic Development - for Climate Action Plan but will also work on sustainability initiatives
13	2.0 FTE's for Increased Compliance Monitoring of the Living Wage Ordinance	-	
<i>Revenue</i>			
14	Addition of Residual Property Tax Trust Fund Revenue	Y	\$12.8 million in RPTTF revenue in May Revise

- Not included in the budget
Y Included in budget, full funding
P Included in budget/ partial funding

ATTACHMENT TWO – INFORMATION ON OTHER PRIORITY EXPENDITURES FROM COUNCIL MEMOS**EXPENDITURE PRIORITIES RECEIVING MAJORITY SUPPORT, NOT FUNDED****Pacific Breezes Community Park**

A majority of Councilmembers have indicated an interest in exploring options to accelerate construction of the Pacific Breezes Community Park in the Ocean View Hills community of District 8. The park project is included in the Otay Mesa Public Facilities Financing Plan (PFFP) adopted by the City Council on March 11, 2014. The PFFP estimates the total cost of the project to be approximately \$16.5 million; however, construction delays could inflate this estimate. Construction is planned to begin in FY 2016 provided that sufficient facilities benefit assessments (FBAs) have been received from development activity. Once sufficient funds have been accumulated for the entire park project, staff expects the project can be completed in about 2.5 years.

The PFFP indicates the project has already been appropriated \$11.0 million (\$4.9 million of which has been expended) with the remaining \$5.5 million projected to be received from FBAs in FY 2016. Projections are based on information gathered from the development community. The IBA understands various options for accelerating development of the park have been conceptually discussed with staff. In an effort to accelerate park construction, some of these potential options (each of which has some challenges) include:

- Redirecting existing funding for the planned Riviera Del Sol (\$1.9 million) and Hidden Trails (\$1.3 million) neighborhood parks to the Pacific Breezes Community Park. FBA funds projected to be received in FY 2016 for Pacific Breezes would then be used to replenish funding for the neighborhood park projects.
- Negotiating delays for other prioritized projects/obligations in the PFFP (i.e., repayments to developers for constructed public facilities or interchange improvement required by Caltrans).
- Potentially phase fund certain elements of the planned park so as to allow construction to begin sooner. Public Works staff believes this is a feasible option; however, breaking the total project into two phased segments could modestly increase costs depending on necessary plan modifications to accommodate phasing and the resulting bids.

An option suggested in one of the budget priority memos was to use General Fund monies in combination with non-General Fund monies (i.e., FBAs) to accelerate park construction. The May Revision to the FY 2015 Proposed Budget projects \$4.0 million in Excess Equity. These funds are proposed to be set aside to address potential General Fund expenditures resulting from the dissolution of the Redevelopment Agency and/or potential public safety needs related to the May 2014 firestorms. While it would not be inappropriate for Council to utilize a portion of the \$4.0 million for a one-time priority need, committing \$4.0 million in excess equity to the Pacific Breezes Community Park would take away all of the City's flexibility for addressing potential expenditure risks without having to utilize General Fund reserves.

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ATTACHMENT TWO – INFORMATION ON OTHER PRIORITY EXPENDITURES FROM COUNCIL MEMOS

As discussed in the Reserves/Excess Equity section of this report, Council has full discretion during the budget process to modify the Mayor's proposal for the use of excess equity, subject to the Mayor's veto, provided it is used for other one-time expenses. However, we believe general funds should be used primarily for programs and services that have no other funding options.

Alternatively, the IBA recommends consideration be given to the possibility of using the pending deferred capital bonds to fund a portion of the Pacific Breezes Park. Given that approximately \$9.0 million of TransNet funds are being proposed to fund street resurfacing projects originally planned to be funded with the first series of the 2014 deferred capital bonds, it may now be possible to include a portion of the funding needed to initiate the construction of Pacific Breezes in the list of projects to be funded by the delayed bonds. It should be noted that such a decision would decrease street resurfacing projects by a corresponding amount (although the City already plans to allocate approximately \$43.4 million of DC3 bond proceeds to street resurfacing projects).

The ability to issue the 2014 deferred capital bonds still awaits a favorable decision from the court; however, it is reasonable to assume that a favorable decision could be received in next few months and bond proceeds could be available for projects in the fall.

INFORMATION ON SELECT EXPENDITURE PRIORITIES NOT RECEIVING MAJORITY SUPPORT

Addition of 7 Hours Per Week to the Central Library

The FY 2015 Proposed Budget allocated \$1.5 million to increase all branch library hours by a minimum of four hours and the Central Library operational hours increased by five hours per week from 49 hours per week to 54 hours per week.

In consultation with Library Department staff, the next level of increased service hours for the Central Library would be to increase weekly operational hours from 54 hours per week to 61 hours per week. To implement this, the Department has indicated they would need to add 13.0 FTEs and approximately \$1.2 million in personnel and non-personnel costs.

Youth Services

Councilmembers for Districts 1, 4, 8 and 9 included youth services in their budget priorities memo. The memo refers to advancing the City's youth policies at the community level, convening youth stakeholders, and fostering public-private partnerships to leverage funding opportunities for youth resources.

In FY 2014, a Human Resources Department position was added to the budget for a Youth Workforce Development Program. The goal of the program is to assist youth in developing skills needed for work-readiness. The Youth Workforce Development Officer position, which was filled in March 2014, is tasked with developing partnerships with community organizations. This position also assists in providing opportunities for youth placement in paid and unpaid City internships.

ATTACHMENT TWO – INFORMATION ON OTHER PRIORITY EXPENDITURES FROM COUNCIL MEMOS

The Committee on Public Safety & Livable Neighborhoods, which oversees youth services programs, may want to request a presentation by the Youth Workforce Development Officer on the services this program provides and its results at a future Committee meeting.

Addition of Year-Round Pool Hours

The FY 2015 Proposed Budget includes funding for the operation of three year-round pools (Clairemont, Vista Terrace, and Ned Baumer) and ten seasonal pools. Closure of seasonal pools varies from four weeks to a maximum of three and half months between October and March.

Based upon Park and Recreation projections, providing year-round operation at all city pools would require a net increase of approximately \$630,000 in annual expenses. To provide year-round operation for one pool in each Council District (with the exception of Council District 5), the Department projects an increase of approximately \$400,000 in annual expenses.

City Auditor Training Funds

The City Auditor presented his FY 2015 budget request to the Audit Committee in a memorandum dated April 16, 2014. The memorandum requested an addition \$15,000 in training funds to: 1) improve the efficiency and effectiveness of the Office and 2) maintain audit skills to continue producing high impact audits with significant results. The Audit Committee unanimously recommended Council approve the FY 2015 Proposed Budget with the \$15,000 increase in training funds requested by the City Auditor. At the Budget Hearing on May 8th, our office stated that the request was reasonable and three Councilmembers commented in support of the additional training funds; however, these funds were not added in the May Revise.

Two Councilmembers requested the training funds be added in their budget priority memos. The IBA understands the Financial Management Department has informed the City Auditor that he should be able to redirect \$15,000 from other budgeted non-personnel expense items already in the Auditor's Proposed FY 2015 Budget. In particular, Financial Management expects there will be budgeted funds in excess of the amount needed for the outside audit contract with Macias Gini & O'Connell. The City Auditor agrees with this proposal and plans to work with the Financial Management department to move \$15,000 from the budgeted line item for the outside audit expense to the line item for training expense.

Tree Warden

In FY 2013, TSW - Street Division Division's budget included one code compliance officer position to (1) monitor compliance with tree-related landscaping regulations within the City's Land Development Code and (2) issue permits for planting and removal of trees with the public right of way. This position was commonly referred to as the Tree Warden.

Since code compliance and permitting activities are primarily the responsibility of the Development Services Department (DSD), the Tree Warden position (1.00 FTE Code Compliance Officer and \$73,049 in personnel expenses) was transferred from TSW to DSD as

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ATTACHMENT TWO – INFORMATION ON OTHER PRIORITY EXPENDITURES FROM COUNCIL MEMOS

part of the FY 2014 budget. Per its existing business model, DSD utilizes this position as an additional code compliance officer rather than dedicating it specifically for compliance of tree-related regulations. Each code compliance officer has multiple items to monitor for compliance within a certain geographic area, including tree-related regulations. The permitting function previously conducted by the Tree Warden is now addressed by DSD's general permitting section; however, no additional resources were added to the development review process to address tree-related permitting.

TSW's Street Division has received complaints regarding the length of time it now takes to get tree-related permits as well as the lack of a Tree Warden dedicated to monitoring and enforcing compliance with tree-related regulations. DSD does not plan to dedicate a code compliance officer for tree-related regulations, but is currently assessing how to streamline the permitting process. DSD plans to transfer tree-related permits to its Landscape section for review, since the Landscape Planners have expertise to process the tree-related permits which would potentially reduce the time it takes to issue permits.

It is important for DSD to coordinate with TSW - Street Division regarding the effectiveness of tree-related code compliance and permitting. If Street Division continues to receive a high number of complaints, staff may want to assess whether the position should be transferred back to the Street Division and/or if funding is needed for an additional position.

ATTACHMENT THREE – DISCUSSION OF GENERAL FUND ALLOCATION FOR CIVIC SAN DIEGO

As shown in the table below, the City’s General Fund provides a total of \$300,000 for Civic San Diego (CivicSD) in the base budget for FY 2015, including \$250,000 in the Economic Development Department budget for economic development activities and \$50,000 in the Environmental Services Department budget for maintenance of the downtown public restrooms (located adjacent to Tailgate Park in the East Village) and port-a-potties.

The May Revise provides an additional \$300,000 for a total of \$600,000, which represents a significant increase of \$300,000 over FY 2014. The \$300,000 in the May Revise includes \$75,000 for the development of reuse opportunities for the old Main Library and \$225,000 for the formation of a Public-Private Investment Fund. Adding \$225,000 to the \$175,000 that was included in the base budget for this purpose provides a total of \$400,000 for the formation of the fund. Staff indicated that the \$400,000 will cover stand and consultant costs to develop financial modeling and assess the feasibility of public private investment funds for transit-oriented development investment in Encanto and City Heights.

GENERAL FUND ALLOCATION FOR CIVICSD			
	Base Budget	May Revise	Total
Revenue			
FY 2015 Base Budget - Economic Development Department	\$ 250,000	\$ -	\$ 250,000
FY 2015 Base Budget - Environmental Services Department	50,000	-	\$ 50,000
Added in the May Revise - Economic Development Department	-	300,000	\$ 300,000
Total Revenue from General Fund	\$ 300,000	\$ 300,000	\$ 600,000
Expenditures			
Maintenance of Downtown Restrooms and Port-a-Potties	50,000	-	\$ 50,000
Pursuit of Other Economic Development and Infrastructure Funding Sources	35,000	-	\$ 35,000
Pursuit of New Grant Opportunities	40,000	-	\$ 40,000
Formation of Public-Private Investment Fund	175,000	225,000	\$ 400,000
Development of Reuse Opportunities for Old Main Library	-	75,000	\$ 75,000
Total Expenditures	300,000	300,000	\$ 600,000

CivicSD initially requested \$175,000 to assess the feasibility of the Public-Private Investment Fund. Establishing such funds can require a significant investment, for example, San Francisco spent \$500,000 to set up a similar fund.¹ And, we also understand that formation of the fund is a high priority for the Mayor and Council. However, CivicSD is in the early stages of this process and may not require the full \$400,000 that has been proposed for this purpose in FY 2015, particularly since the concept has not yet been fully developed.

CivicSD also requested \$100,000 to conduct Downtown long-range planning and \$100,000 for community engagement and communications which have not been funded. Allocating the additional \$225,000 specifically for the formation of the fund will limit CivicSD’s ability to conduct these other activities. Finally, we believe that \$50,000 for maintenance of the downtown public restrooms and port-a-potties which was included in the base budget in the Environmental

¹ Looking forward, as the investment fund is deemed feasible, it is important to note that successful investment funds generally include the participation of a public entity, such as the City, generally in the form of cash or land investment.

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ATTACHMENT THREE – DISCUSSION OF GENERAL FUND ALLOCATION FOR CIVIC SAN DIEGO

Services Department may have been overlooked and has been included in the May Revise, as well. As a result, we believe \$50,000 of the \$225,000 funded in the May Revise is available for reallocation. With this reduction, \$350,000 will still be available in CivicSD's budget for the Investment Fund.

Planning and Permitting in Encanto and City Heights

Although there was confusion regarding the different descriptions in the May Revise relating to how CivicSD would utilize the additional \$225,000 that was included in the May Revise for economic development, staff confirmed that this funding is not being allocated to provide ministerial review in Encanto and City Heights. A proposal to revise CivicSD's consulting agreement with the City to expand planning and permitting to these targeted areas is currently being vetted by the Mayor's office and is subject to meet and confer with labor before it will go to Council for final approval. Staff do not anticipate that additional revenue will be needed to support these functions, since permitting is self-sustaining through charges for services, and planning can be supported with grant funding.

ATTACHMENT FOUR

Policy / Budget Issues Requiring Attention in FY 2015			Committee Oversight
Policy / Budget Issue			
1	Reviewing Mayor's plans for continuing the Managed Competition program or pursuing alternative efficiency studies		Budget & Government Efficiency
2	Implementing Mayor's quarterly City service performance reports and user-friendly dashboard		Budget & Government Efficiency
3	Implementing recommendations to improve and accelerate City hiring processes		Budget & Government Efficiency
4	Continue implementing Purchasing and Contracting efficiencies including identification of SAP system requirements and training to correct underutilization (Huron Report)		Budget & Government Efficiency
5	Assessing needs and costs of reinstating a citywide SAP training program		Budget & Government Efficiency
6	Adopting Mayor and Council FY 2015 Statement of Budgetary Principles		Budget & Government Efficiency
7	Completing FY 2016 comprehensive user fee analysis and Park & Recreation Department fee update on a timely basis to ensure readiness for FY 2016 implementation		Budget & Government Efficiency
8	Addressing solutions to affordable housing fee		Budget & Government Efficiency
9	Updating City's Budget Policy to address new policies and practices implemented since November 2010		Budget & Government Efficiency
10	Considering opportunities for expanding alternative work schedules		Budget & Government Efficiency
11	Considering opportunities for expanding corporate partnerships		Budget & Government Efficiency
12	Updating and evaluating the "Do Your Homework @ the Library" afterschool program		Budget & Government Efficiency
13	Implementing improvements to Real Estate Services Department recommended in Huron Report		Smart Growth & Land Use
14	Addressing role of Civic San Diego		Economic Development & Intergovernmental Relations
15	Discussing timing of potential Charter Review process		Economic Development & Intergovernmental Relations
16	Continuing to focus on City's Economic Development activities and finalize Economic Development Strategy		Economic Development & Intergovernmental Relations
17	Completing Police Sworn Officer salary survey on a timely basis to continue to address recruitment and retention		Public Safety & Livable Neighborhoods

ATTACHMENT FOUR

Policy / Budget Issues Requiring Attention in FY 2015		
	<i>Policy / Budget Issue</i>	<i>Committee Oversight</i>
18	Assessing cost/benefit of Fast Response Squad pilot program	Public Safety & Livable Neighborhoods
19	Continuing to explore solutions to homelessness	Public Safety & Livable Neighborhoods
20	Completing streets, facilities, sidewalks, park assets and public utilities condition assessments on a timely basis to identify magnitude of deferred capital funding needs	Infrastructure
21	Including in FY 2015 final budget performance measures for Capital Improvement Projects "on time and on budget"	Infrastructure
22	Continuing to invest in ADA upgrades to parks across all neighborhoods	Infrastructure
23	Providing for Council review of updated PFFPs early in fiscal year	Infrastructure
24	Continuing to monitor SAP EAM Project to ensure that General Fund departments' participation is adequately funded	Infrastructure
25	Discussing potential new resources for comprehensively addressing storm water requirements and other deferred capital and infrastructure needs including the possibility of a voter-approved bond program	Infrastructure / Budget & Government Efficiency
26	Completing cost of service study needed to consider increases to City's storm drain fee to support new storm water requirements	Environment



CITY OF SAN DIEGO

COUNCIL PRESIDENT PRO TEM SHERRI S. LIGHTNER, DISTRICT ONE

COUNCILMEMBER MYRTLE COLE, DISTRICT FOUR

COUNCILMEMBER DAVID ALVAREZ, DISTRICT EIGHT

COUNCILMEMBER MARTI EMERALD, DISTRICT NINE

JOINT BUDGET MEMORANDUM

DATE: May 23, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Sherri S. Lightner

Councilmember Myrtle Cole

Councilmember David Alvarez

Councilmember Marti Emerald

Sherri S. Lightner Myrtle Cole
David Alvarez Marti Emerald

SUBJECT: Fiscal Year 2015 Budget Priorities in response to the Mayor's May Revised Budget

Thank you to Mayor Faulconer for recognizing many of the needs and priorities of the citizens of San Diego in his proposed FY15 budget and subsequent May revised budget.

We are especially pleased to see funding for the following items included in the FY15 budget and the May revised budget:

- Critical public safety needs, including funding to implement the Police Department Five Year Plan, funding for new fire stations, increased staffing for the Lifeguard Boating Safety Unit, brush management, the Skyline Drive Temporary Fire Station, and a lifeguard at Windansea Beach. In addition, many critical one-time needs have been funded, such as additional police equipment, police helicopter support, the police retention program, and the relocation of the Park and Recreation garage from Lifeguard Headquarters.

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- Community services, including an increase to library hours, funding for homelessness services and youth services such as the Connect2Careers program, and funding for the cleanup of La Jolla Cove and an accompanying coastal management plan.
- Infrastructure needs, including an additional \$1 million for streetlights and sidewalks.
- Operational needs, such as funding for a Chief Data Officer, increased funding to our Department of Information Technology, funding for the improvement of government operations and the creation of a separate Economic Development Department.
- City commitments, including funding to implement the Neighborhood Parking Protection Ordinance and the Climate Action Plan.

The following are our priorities for additional funding in the FY15 Budget:

Priorities for Ongoing Funding:

Public Safety:

- **Chollas Lake Park Ranger:** One full-time Park Ranger dedicated to patrolling Chollas Lake Regional Park is requested. Consistent with other regional parks, a full-time Ranger will be able to address quality of life issues that are currently being handled by Police. Chollas Lake is currently being patrolled by a Ranger on a rotational basis. As of April 4, 2014, there were four vacant Ranger positions. A dedicated Ranger for Chollas Lake may be achieved by filling these positions. The approximate cost for one Park Ranger is \$115,000 which includes a onetime cost of \$37,000 for a vehicle.
- **La Jolla Shoreline Park Ranger:** Approximately \$115,000 for one Park Ranger to patrol the La Jolla coastline to address quality of life issues that are currently being handled by Police and Lifeguards, resulting in both departments being called away from their primary missions to respond to issues that could better and more cost-effectively be addressed by a Park Ranger.

Community Services:

- **Library Materials:** An increase of \$500,000 to fund the library materials budget to the level consistent with FY14's funding level to ensure the library system continues to provide current materials to its users.
- **Zoning Investigator II (Land Development Investigator):** \$110,437 for one FTE (including salary and fringe) to enforce the City's regulations regarding nuisance rental housing in such communities as the College Area.
- **Grounds Maintenance Worker I:** \$71,600 for one FTE (including salary and fringe) to keep up with parks maintenance needs. Parks maintenance has been short one position since 2008. The need for this position is especially great in City Heights, which has some

of the most-used parks in the city. This worker would address landscaping, litter abatement and graffiti removal.

- **Urban Forester:** We support the establishment of an Urban Forestry program that could include the addition of a dedicated Urban Forester in the FY16 budget at an annual cost of approximately \$150,000. FY15 could be spent identifying in which department this position would best fit and planning for the hiring of the position. The Urban Forester would help develop and implement long-range plans, policies and procedures, provide professional and technical guidance to staff, ensure compliance with city policies and regulations, monitor permitting, and coordinate with City departments, outside agencies, community groups and the City Council.
- **Community Planning Group Support:** \$20,500 to cover the operational costs of agenda printing, room rentals, telephone, website hosting and other organizational support for each of the city's 41 community planning groups, per the request of the Community Planners Committee.

Operational Needs:

- **Civil Service Hiring Improvements:** \$218,000 for 2.0 FTEs in the Personnel Department is requested to improve the civil service hiring process and decrease the amount of time it takes to hire city employees. Our specific request is for an Information Systems Analyst II and an Associate Personnel Analyst to handle the Online Hiring Center (OHC), which will give departments direct access to requesting and receiving eligible lists, and the ability to review candidate applications within the NeoGov system. The cost for these two positions is \$109,374 and \$108,481, respectively. These additions are critical to ensure existing vacancies in each city department are filled in a timely manner. Doing so will help the City provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core city services. As of April 4, 2014, there were approximately 430 vacant General Fund positions. The faster we fill vacancies, the quicker we are able to mitigate service impacts and/or decrease the use of overtime.

City Commitments:

- **Living Wage Ordinance:** \$100,000 for the addition of 1.0 FTE, including fringe, for a Senior Management Analyst to perform monitoring and ensure compliance with the newly expanded living wage program that was approved by Council in 2014.
- **Property Value Protection Ordinance:** \$67,804 to increase compliance with the Property Value Protection Ordinance, which requires all lenders to register defaulted and foreclosed residential properties within the City of San Diego. The ordinance also requires code enforcement officials to track, inspect and monitor these properties so

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they do not fall into neglect and further lower property values. The addition of 1.00 Zoning Inspector 2 in the Development Services Department is needed to assist with the program. This position will be cost neutral with the addition of anticipated revenue through fines levied for non-compliance.

One Time Costs:

Infrastructure:

- **One-time Sidewalk and Street Light Improvements:** The proposed budget includes \$2,400,000 for citywide streetlight installation and one-time sidewalk improvements. Public street lighting is important to our quality of life. There is growing concern about inadequate lighting and pathways of travel, particularly near transit stops, which are generally used by youths, seniors and the disabled. Missing streetlights and sidewalks in high-crime and high-traveled areas should be prioritized. For example: Market Street sidewalk and streetlights.
- **Pacific Breezes Community Park:** The Ocean View Hills community has multiple shovel-ready park projects that have been delayed far too long and need to be built. Using existing funds to fill the funding gap for the largest park project, Pacific Breezes Community Park, would create approximately 15+ acres of parkland in this area of the city and provide an immediate benefit to the community. This project constructs a community park in Ocean View Hills that includes lighted softball fields, playground areas, a comfort station, concession stand, storage, off-street parking, turf areas, picnic shelters, benches, a drinking fountain and storm water detention areas. The project is shovel ready. A combination of General Fund and non-General Fund monies should be used to realize the completion of this long delayed park project.

Community Services:

- **Youth Services:** Funding to support youth services that would lead to a positive youth development vision and strategy, advance the City's youth policies at the community level, convene youth stakeholders to ensure better coordination of youth-focused policy and practice. Foster public-private partnerships to target and leverage funding opportunities for sustained youth resources.
- **Combination Building Inspector II:** \$115,354 for one FTE to address a backlog of cases involving Storm Water Best Management Practices violations in order to avoid fines from the Regional Water Quality Control Board. This is a one-time cost because the cases should be able to be addressed within FY15. This position could be considered cost neutral in that it would allow the city to avoid potential fines. Funding this position

would free up other staff throughout the department to address other code enforcement cases.

- **Arts & Culture Commission:** \$128,000 is recommended to restore the Arts & Culture Commission Budget to the FY14 Adopted Budget Level of 5.7% of TOT. Increasing arts funding is in line with the *Penny for the Arts Five-Year Blueprint* and will support local arts and culture and art education programs that support our quality of life, benefit diverse communities and neighborhoods and help makes our City a vibrant place to live and visit.

Operational Needs:

- **Charter Review Committee:** approximately \$80,000 for the City Council to form a charter review committee to make recommendations on updates needed to bring the San Diego City Charter into the 21st Century. Over the past few years there have been various charter related issues that have arisen that indicate a need to revise and update the City Charter. As such, the City Council should form a Charter Review Committee in January 2015 to provide recommended changes to the Mayor and City Council. Some funding will be required to provide staffing to the committee, including \$80,000 for an IBA Fiscal and Policy Analyst (1.0 FTE) for one half of FY15.

Potential Revenue Sources:

In order to fund the proposed projects, programs, and services recommended above, we have identified the following areas in which additional revenue can be generated in order to offset our additional budget recommendations.

- **Increase to Property Tax Base:** \$1,000,000 can be generated by increasing the assumptions on the property tax revenue.
- **Adjust Excess Equity:** \$4,000,000 in Excess Equity remains unallocated. Consideration should be given for use of this funding for critical one-time needs.
- **Expand Alternative or Flexible Work Schedule:** Citywide implementation of an expanded alternative or flexible work schedule, such as the 4/10 schedule already being used in the Environmental Services Department at a savings of \$6,000,000.

We look forward to the collaborative work ahead to weigh the numerous competing priorities in order to deliver a balanced and responsible budget. Thank you for your consideration of these budget priorities and options for revenue generation.




**CITY OF SAN DIEGO
COUNCILMEMBER ED HARRIS
COUNCIL DISTRICT TWO**

M E M O R A N D U M

DATE: May 23, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Ed Harris 

SUBJECT: Fiscal Year 2015 Budget Priorities Memo

The Fiscal Year 2015 budget is good news for our neighborhoods and consistent with my council priorities: infrastructure, neighborhood services, public safety, and a clean and healthy environment. We will see more streets paved, an increase in library hours, additional police officers on our streets, lifeguard facility improvements, funding for District Two street lights, a new Fire Station for Point Loma, a sustainability program manager and more. We are also pleased about the commitment to complete a Coastal Management Program this year.

As you know, while more dollars are earmarked for infrastructure improvements, the budget's current infrastructure funding sources are not sustainable and will most likely not meet the City's capital funding needs. The City will need to look to additional funding sources, such as an infrastructure bond, to address its \$2 billion infrastructure price tag. I look forward to working with the Mayor and my Council colleagues on this issue.

I also commend the Mayor for the City's management reorganization efforts, including the creation of stand-alone departments for communications, economic development and analytics and performance management. Given the increased attention and need for addressing climate change and its impact on public health and our quality of life, we may also want to consider a stand-alone Sustainability Department in the future.

Looking ahead, the following are my priorities for additional funding in the Fiscal Year 2015 Budget:

- **Park Ranger:** Approximately \$80,000 for 1.0 FTE ranger for Sunset Cliffs Park to address quality of life issues handled by Police and Lifeguards.
- **Ocean Beach Lifeguard Station:** Currently in the top tier of underfunded projects, the OB Lifeguard Station is identified as a top priority by the community to meet public safety needs. The cost for design and first phase of community input is identified as \$600,000.
- **Increase for Library Materials Funding.** This year's budget has a reduction of \$500,000 in library materials funding. Experienced librarians have conveyed the long-term problems created when we fund library materials at approximately \$2.30 per capita when the standard is closer to \$5.00. We recommend fully restoring this materials funding to \$500,000.
- **Establishment of the Urban Forestry Program and City-wide Tree Maintenance.** One of the most common calls we receive from constituents relates to tree trimming and maintenance. Providing uniform tree maintenance and trimming in the City's right-of-way is a core city service. Because both Streets and Park and Recreation provide this service for different areas, it is difficult for constituents to call the right department and difficult for Council offices to track down the right City staff to respond to constituents. It is also essential that someone is looking long-term at how to increase urban tree coverage citywide. As identified in the General Plan, increasing urban tree cover saves energy, sequesters carbon and reduces the urban heat island effect. We recommend a citywide Urban Forestry Coordinator position within long-range Planning, as well as ensuring that Development Services fills their funded Tree Warden position in Neighborhood Code Compliance. The Tree Warden position has been fully funded since FY14. The Urban Forestry Coordinator position is approximately \$150,000 with benefits.
- **Living Wage Ordinance:** \$230,000 for the addition of 2.0 FTEs for a Program Manager and Senior Management Analyst to perform monitoring and ensure compliance with the newly expanded living wage program approved in February 2014.
- **Assistant Traffic Engineer for Planning:** \$103,000 for 1.0 FTE to add an Assistant Traffic Engineer in Planning and Neighborhood Services to assist with the Mobility section's increased workload and responsibilities. Technical expertise is needed to conduct travel forecasts and traffic modeling, which is critical for community plan updates. The lack of sufficient

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staffing has caused bottleneck for moving forward with grants, as well as causing delays to community plan updates and amendments. Planning risks losing awarded grant funding if it is unable to meet deadlines. Given the new “complete streets” approach to developing and designing our roads and walkways, it is critical that we invest the necessary resources to fully staff this work.

- **Civil Service Hiring Improvements:** \$200,000 for 2.0 FTE in the Personnel Department to improve the civil service hiring process and decrease the amount of time it takes to hire City employees. This is critical to fill existing vacancies and deliver core City services.
- **Support for the Community Planning Groups:** \$20,500 to cover the operational costs of agenda printing, room rentals, telephone, website hosting and other organizational support for each of the City’s 41 community planning groups, per the request of the Community Planners Committee.
- **Combination Building Inspector II:** \$115,354 for 1.0 FTE to address a backlog of cases involving Storm Water Best Management Practices violations in order to avoid fines from the Regional Water Quality Control Board. This is a one-time cost because the cases should be able to be addressed within FY15. Funding this position would free up other staff throughout the department to address other code enforcement cases.

Potential Revenue Sources

In order to fund the proposed projects and programs recommended above, I request that we revisit some of our revenue projections, in particular property tax projections.

Thank you for your consideration of these budget priorities.




**OFFICE OF COUNCIL PRESIDENT TODD GLORIA
COUNCIL DISTRICT THREE**

M E M O R A N D U M

DATE: May 23, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Council President Todd Gloria, Third Council District 

SUBJECT: Council District Three Budget Priorities and Revisions to the Fiscal Year 2015 Budget

The following items are my priorities and revisions to the FY 2015 City Budget. Over the last several months, and during our budget review hearings and deliberations, I have heard from community members about what City services they value most. The priorities I offer today are in response to citizen requests and are in line with the budget priorities I have established which champion public safety, job creation and economic development, solutions for ending homelessness, and responsible governance.

First and foremost, I applaud the transparent and collaborative process in the development of the FY 2015 Budget thus far and I thank the Mayor, the Financial Management team, and the Independent Budget Analyst for their roles in facilitating this process. The Mayor's May Revise is a sound proposal that balances many of the wishes of this City Council with responsible fiscal practices. The proposal reflects the City's continued fiscal health, as we begin to restore core City services and meet our target reserve goals.

In particular, I am in full support of the additional funding for our public safety needs including **police helicopter support and brush management**; additional **library hours**; implementation of the Climate Action Plan through funding for a **Sustainability Program Manager**; and an increased commitment to best practices for ending homelessness with funding for **25 triage/assessment beds**. This is another huge step in changing the way that the City funds homeless services and I thank the Mayor for his support of my \$1.9 million plan for homelessness solutions in line with the housing first model.

I am also pleased to see the commitment of \$300,000 for **Civic San Diego** to develop reuse opportunities for the old Central Library and for the formation of a Public-Private Partnership Transit Oriented Development Fund with an emphasis on affordable housing, retail/commercial, infrastructure, economic growth and social benefits. It is my belief that this allocation will allow Civic to bring proven economic development tools and innovative financing sources to communities where there has been a historic lack of investment.

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Independent Budget Analyst Andrea Tevlin

CD3 FY15 Budget Priorities and Revisions

May 23, 2014

FY 2015 BUDGET REVISIONS

- **Urban Forestry Program/Citywide Tree Maintenance:** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District. Funding for a Citywide Urban Forestry Program and uniform maintenance of trees on public property should be included in the FY 2015 Budget. This includes an Urban Forestry Coordinator position, requiring about **\$150,000** in personnel and related non-personnel expenses, and an additional **\$100,000** for Citywide tree maintenance.
- **Living Wage Ordinance Program Staffing:** Since inception, the Living Wage Ordinance (LWO) Program has not been optimally staffed, and efficient administration of the proposed program amendment requires expanded monitoring. Adequate staffing for the LWO Program should include the addition of a Program Manager and a Senior Management Analyst at a fully loaded cost of **\$230,000**. Some cost recovery may be achieved through assessment and collection of fines for violations. However, such monies must be deposited in the General Fund and cannot provide direct support for LWO Program staffing.
- **Libraries:** As an advocate for libraries and the transformational value they bring to our communities, I am extremely supportive of the increase in library hours that this Budget proposes. However, I am concerned that we are still not committing 6.0% of our General Fund to the Library Department as outlined in the City's Library Ordinance. With potential new revenue from a 5% property tax increase, I would like to see a greater increase to hours at the Central Library @ Joan ^ Irwin Jacobs Common to ensure that after years of waiting and significant public and private investment, the public has greater access to all the library has to offer. Given that the current FY 2015 Budget projects a cost of \$1.5 million to increase branch libraries by four hours per week and Central Library hours by five hours per week, I have estimated the additional cost of increasing Central Library hours by 7 hours per week (from 54 to 61 hours) at approximately **\$1 to \$1.2 million**. I request that the Library Department Director continue to work with the Independent Budget Analyst to provide further clarity on a cost estimate. Finally, while I certainly support youth programs and believe that libraries are a resource to expand access to education, I am concerned that a \$500,000 reduction in the materials budget will have an impact on the ability to leverage public dollars for private donations to our library system. If the "Do Your Homework at the Library" program continues in the next fiscal year, I would strongly recommend that other sources of funding be identified.
- **Pacific Breezes Community Park:** This project constructs a long overdue community park in Ocean View Hills that includes lighted softball fields, playground areas, a comfort station, concession stand, storage, off-street parking, turf areas, picnic shelters, benches, a drinking fountain and storm water detention areas. This project is shovel ready and incremental or partial funding could allow it to move forward to construction. It is my hope the Mayor and District 8 can continue to discuss how to best move the project forward to completion.
- **Penny for the Arts:** The percentage of TOT dedicated to Arts and Culture will go down to 5.6% under the proposed budget, compared to 5.7% in FY 2014. While I recognize we are unable to fund the full blueprint amount, I would like to see an upward trajectory in the spirit of the Penny for the Arts Blueprint. To bring Arts funding up to 5.7% would be an additional **\$128,000** from the FY 2015 TOT revenue increase. In response to overwhelming community support, I encourage that additional increment be appropriated to the San Diego Opera, or

recommend that the Arts and Culture Board revisit their recommendation and bring forward a new one that would increase the City's funding commitment to the San Diego Opera.

FY 2015 ADDITIONAL REVENUE SOURCES

- **Public Facilities Financing Plans:** The City's Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration as early as possible in this fiscal year. Approval of these plan updates could result in additional revenue for critical neighborhood infrastructure projects and also increase their reimbursement of administrative expenses from Development Impact Fees.
- **General Fund User Fee Policy:** In 2009, the City Council adopted a comprehensive General Fund User Fee Policy to assist with determining the appropriate level of user fees for services and related cost-recovery revenues. The Policy was intended to require a fee review and adjustment process as part of the City's annual budget process. I urge the Mayor to adhere to this practice and bring forward the policy early in the fiscal year. Annual inflationary or other technical adjustments to fees should be considered each year as part of the budget process. The City must achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees.
- **Fill Existing, Already Budgeted Vacancies:** We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. For the first time, the FY 2014 First Quarter Budget Monitoring Report provided a list of current vacant budgeted positions for General Fund Departments and non-general funds. The City must aggressively fill these identified vacancies and find efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels. Proper staffing will result in higher quality service delivery and overall performance. I would further recommend that staff explore and bring forward specific personnel reforms in the coming fiscal year to the Budget and Government Efficiency Committee, in response to discussions at the Budget Review Committee.
- **Encourage Corporate Sponsorships and Public-Private Partnerships:** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These partnerships are sure to benefit our taxpayers and strengthen our General Fund.

Thank you for your guidance in consolidating my priorities and the critical role you play in helping this Council to review and analyze the information presented to us throughout the budget process and throughout the year. I look forward to working with you, my Council colleagues, the Mayor, and the public to develop a balanced FY 2015 budget.

FY 2015 BUDGET ADJUSTMENTS

Ongoing Uses

Urban Forestry/Citywide Tree Maintenance	\$250,000
Living Wage Ordinance Program Staffing	\$230,000
Additional Library Hours	\$1,000,000

Ongoing Sources

Email Retention Policy	\$500,000
5% Property Tax Increase	\$1,000,000
	<hr/>
	\$20,000

TG:jl



City of San Diego


MARK KERSEY

CITY COUNCILMAN, FIFTH DISTRICT

MEMORANDUM

DATE: May 23, 2014

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilman Mark Kersey 

RE: Fiscal Year 2015 Budget Revisions

This memorandum is in response to Council President Gloria's call for budget priorities and revisions to the Mayor's Proposed Fiscal Year 2015 budget. Mayor Faulconer's proposed budget and May Revision are reflective of this Council's commitment to rebuild San Diego. This budget displays the City's continued fiscal prudence through accelerated funding of reserves and provides a more open and transparent government. As we continue to monitor the budget and identify additional revenue, the following items should be considered for funding to provide greater access to the public and enhanced services to our neighborhoods.

Additional Resources for Open Data Implementation

The City is taking steps toward implementation of an open data policy. As a proponent of open data and participant in the open data advisory committee, it is clear that additional resources beyond the Chief Data Officer will be necessary to successfully implement a robust open data program as called for in the draft policy. A Program Manager in the Department of Analytics and Performance Management could assist the Chief Data Officer with interfacing with internal departments as well as the public as data is reviewed and posted. Additionally, the Program Manager would provide capacity to gather public input on which data sets are high value and should be made available to the public first.

Locate a Fast Response Squad in San Pasqual Valley and Review Cross Staffing

The San Pasqual Valley is home to the Zoo Safari Park, Orfila Winery, and numerous agricultural farms. Although it has less than 1,000 residents, it receives approximately 1.5 million visitors annually. Serviced by Fire Station 33 in Rancho Bernardo, traffic impacts can translate into 20 minute response times before critical medical care arrives on the scene. Stationing a Fast Response Squad in the pilot program here during part of the year, particularly during summer months, would be beneficial in determining the viability and effectiveness of the program. Furthermore, the City's cross staffing should be analyzed, as a dedicated HAZMAT unit would further relieve the stressed fire system of the northern San Diego region and improve response times.

Brush Management

With nearly 904 acres of City-owned open space abutting structures, brush management is critical to the protection of life and property during the expanding wildfire season. An additional investment in brush management, specifically along wildlife-urban interface areas, is a necessary proactive measure.

ADA Infrastructure at Parks

The City of San Diego is home to a world-class park system. Unfortunately, our parks are aging and experiencing significant playground equipment deterioration. As playground parts fail, the City is forced to close the playgrounds or, in cases where a like replacement cannot be found, completely remove play structures. Structures cannot be replaced until the entire park is brought up to ADA compliance. The city should invest in ADA upgrades to parks across all neighborhoods to address this issue and ensure access for all people. I have dedicated a portion of my office FY 2014 Community, Projects, Programs, and Services fund as initial investment for ADA upgrades at Hoyt Park in Scripps Ranch. Incremental investment can be used to leverage grants and private funding to help ensure all people can enjoy neighborhood recreation.

Monetize Savings through Energy Efficiencies at Mission Trails

The City would greatly benefit from energy efficiency upgrades at Mission Trails Regional Park, San Diego's largest park. Installation of solar panels and modernized air conditioning systems will reduce ongoing operational costs that can be reinvested into this regional asset.

Support Penny for the Arts

As the City's fiscal picture improves it is important to fund long-term investment plans such as the Police Five-Year Plan, the Citygate Working Group Plan, and the Penny for the Arts Blueprint. Our reinvestment of Transient Occupancy Tax into arts and culture results in over \$186 million in expenditures and approximately 6,500 jobs.

We must invest in maintaining and improving the facilities and infrastructure that support our arts and culture organizations to ensure long-term viability. If revenues improve and become available, funding the Penny for the Arts should be considered on-balance with other priorities of the City.



MEMORANDUM

DATE: May 23, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Lorie Zapf- Council District 6
SUBJECT: Final Budget Suggestions for FY 2014/2015

In the most recent May Revise several of my major concerns were addressed by the Mayor. Restoring the reserve levels to the Public Liability Fund, as well as increasing infrastructure funding and finding additional money for public safety and brush clearance. Below is a list of Council District 6 priorities and identified savings options that I, on behalf of my council district, would like to see included in the upcoming budget discussions:

1. **Arts and Culture Penny for the Arts Funding:** TOT revenues have remained steady in the City's financials even after a year in which the TMD was limited in how much marketing they could do of the region. Even with the increase in Arts funding proposed in the budget we are losing ground with the targets we had laid out in the Penny for the Arts Blueprint. In fact arts and culture funding remains at half of what it was in 2002. The City Charter specifically identifies supporting arts & culture as a core city service. Additionally, it is an investment that generates revenue for the City and that investment yields a significant return – because of revenue generated from TOT, from sales tax, and more. The return on our investment in the arts is how we fund neighborhood services, public safety, and infrastructure. If San Diego doesn't offer these options to our tourists, they will travel elsewhere. They're ready to stay twice as long and spend twice as much as an average tourist. They should be doing that here, not in LA or San Francisco. We would recommend that the City find an additional \$260,000 to bring funding up to a comparable percentage level with last fiscal year. We would also recommend that the Council strongly recommend that the Arts & Culture Commission revisit the allocation for the Opera given the recent restructuring.

We recommend revisiting the projection for TOT and think that an assumption of 6% growth rate in TOT would be reasonable. City TOT met projections for the last fiscal year despite a lack of marketing dollars. An increase of half a percent would not be unreasonable expectation.

2. **City Pools:** While we agree with you that it is a big ask to look at increasing Park and Recreation Center hours across the board, we think that looking at extending the


timeframe in which summer hours are in place is preferable. We think that additional pool hours should be added to the final budget proposal.

3. ***Increased Funding for Auditor Training:*** We are requesting an increase of \$15,000 in training funds for the City Auditor's office. The Audit Committee unanimously approved this recommendation in April. These funds will help improve the efficiency and effectiveness of the Auditor's office and allow staff to continue producing high impact audits.
4. ***Additional Resources for Open Data Implementation:*** The City is taking steps toward implementation of an open data policy. A Program Manager in the Department of Analytics and Performance Management could assist the Chief Data Officer with interfacing with internal departments as well as the public as data is reviewed and posted. Additionally, the Program Manager would provide capacity to gather public input on which data sets are high value and should be made available to the public first. We believe that the Program Manager and the Auditor Training money can be paid for out of the excess funding brought about by increasing the TOT projection.



City of San Diego
Councilmember Scott Sherman
Seventh District

MEMORANDUM

DATE: May 23, 2014
TO: Andrea Tevlin, Independent Budget Analyst
FROM: Councilmember Scott Sherman 
RE: Recommended FY 2015 Budget Revisions

I am encouraged by the Mayor's May revision to the Fiscal Year 2015 "One San Diego" budget, which included several of my highest budget priorities. I was particularly appreciative of the funding for a sport lighting system at the Tierrasanta Community Park and the \$1.5 million increase in the Police Department for helicopter support.

The following are my Council District's priorities for additional funding in the FY 15 Budget:

Increased Funding for Auditor Training: As Chairman of the Audit Committee, I am requesting an increase of \$15,000 in training funds for the City Auditor's office. The Audit Committee unanimously approved this recommendation in April. These funds will help improve the efficiency and effectiveness of the Auditor's office and allow staff to continue producing high impact audits.

Mission Trails Regional Park Energy Efficiencies Upgrades: Mission Trails Regional Park (MTRP) serves the City of San Diego as one of the largest urban parks west of the Mississippi. The MTRP Visitors Center holds community events and serves as an education center for visitors and students throughout the City. MTRP has identified energy efficiency upgrades for the park through the installation of solar panels and a new air conditioning system to replace the 20-year old unit that is currently in place. We are requesting that these upgrades be installed on the Visitors Center to help reduce their long term operating costs.

City Pools: As the City continues to reinvest in neighborhood services, I believe that funding additional hours at city pools should be added to the final budget proposal.

Camino De La Reina Pedestrian Tunnel Lighting: Camino De La Reina has a pedestrian tunnel on its north side that is completely walled off from the street as it travels under the 163. Residents do not feel safe using this tunnel because it is too dark during the day and pitch black at night. There is a large population of homeless in the area that are frequently in that tunnel. On behalf of the residents, I request that permanent lighting fixtures be installed in this pedestrian tunnel to help encourage residents in the area feel safe walking to Fashion Valley Mall instead of driving which will also help the traffic congestion in the area.

Locate a Fast Response Squad in San Pasqual Valley and Review Cross Staffing: The San Pasqual Valley is home to the Zoo Safari Park, Orfila Winery, and numerous agricultural farms. Although San Pasqual has less than 1000 residents, it receives approximately 1.5 million visitors annually. Serviced by Fire Station 33 in Rancho Bernardo, traffic impacts can translate into 20 minute response times before critical medical care arrives on the scene. Stationing a Fast Response Squad in the pilot program here during part of the year, particularly during summer months, would be beneficial in determining the viability and effectiveness of the program. Furthermore, the city's cross staffing should be analyzed, as a dedicated HAZMAT unit would further relieve the stressed fire system of the northern San Diego region and improve response times.

Brush Management: With nearly 904 acres of city-owned open space abutting structures, brush management is critical to the protection of life and property during the expanding wildfire season. An additional investment in brush management, specifically along wildlife-urban interface areas, is a necessary proactive measure.

Additional Resources for Open Data Implementation: The City is taking steps toward implementation of an open data policy. A Program Manager in the Department of Analytics and Performance Management could assist the Chief Data Officer with interfacing with internal departments as well as the public as data is reviewed and posted. Additionally, the Program Manager would provide capacity to gather public input on which data sets are high value and should be made available to the public first. We believe that the Program Manager and the Auditor Training money can be paid for out of the excess funding brought about by increasing the TOT projection.

Arts and Culture Penny for the Arts Funding: As the City's fiscal picture improves it is important to fund long-term investment plans such as the Citygate Working a Group Plan, the Police Five-Year Plan, and the Penny for the Arts Blueprint. Our reinvestment of Transient Occupancy Tax into arts and culture results in over \$186 million in expenditures and approximately 6,500 jobs.

We must invest in maintaining and improving the facilities assets of our arts and cultural institutions, particularly in Balboa Park, to ensure their long-term viability. If revenues improve and become available, funding the Penny for the Arts should be considered on-balance with other priorities of the City.

Attachment F

Restoration of the Street Median Maintenance Program: Due to budget shortfalls during the recession, Park and Recreation's Median Maintenance Program was cut by almost half in FY 2011. This program maintains the medians for communities throughout the City. The current dilapidated state of both the concrete and landscaped medians should be addressed by restoring the Median Maintenance Program as new revenues are identified.

Item 200
6/9/14

RESOLUTION NUMBER R- 308995

DATE OF FINAL PASSAGE JUN 10 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE FISCAL YEAR 2015 BUDGET, INCLUDING APPROVING THE MAYOR'S FISCAL YEAR 2015 PROPOSED BUDGET, THE MAY REVISION TO THE PROPOSED BUDGET, THE INDEPENDENT BUDGET ANALYST'S RECOMMENDED REVISIONS TO THE PROPOSED BUDGET AND OTHER CHANGES AS APPROVED BY THE CITY COUNCIL.

WHEREAS, pursuant to San Diego Charter section 290(b), prior to June 15 of each year and after holding a minimum of two public hearings, the City Council shall adopt a resolution approving the City's budget as proposed by the Mayor or modified in whole or part; and

WHEREAS, on April 15, 2014, the Mayor's proposed budget (Proposed Budget) was presented to the City Council; and

WHEREAS, on May 21, 2014, the Mayor's May revision (May Revision) to the Proposed Budget was presented to the City Council; and

WHEREAS, on June 4, 2014, the Independent Budget Analyst issued her Review of the FY 2015 May Revise and Recommended Revisions to the Mayor's FY 2015 Budget, IBA Report No. 14-20 (IBA FY 2015 Budget Report); and

WHEREAS, between May 5 and May 21, 2014, the City Council held more than two public hearings to consider the City's Fiscal Year 2015 budget in accordance with San Diego Charter sections 290(b) and 71; and

WHEREAS, the City Council has determined to approve the City's Fiscal Year 2015 Budget, including the Mayor's Proposed Budget, as modified by the May Revision and including

certain recommendations contained in the IBA FY 2015 Budget Report, with other changes approved by the City Council as set forth below; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego that the Mayor's Proposed Budget, as modified by the May Revision is hereby approved including the recommendations contained in the IBA FY 2015 Budget Report as modified by the City Council as follows:

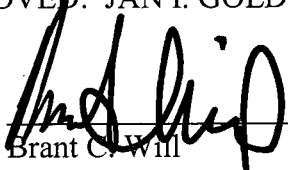
- a. Decrease total on-going additional expenditures in the IBA FY 2015 Report to \$1,544,000 from \$1,594,000 by:
 - decreasing the Library Materials Budget to \$290,500 from \$451,500;
 - increasing the Neighborhood Code Compliance Budget by \$111,000 to add one Zoning Inspector II; and
 - removing the decrease to on-going expenses allocated to Civic San Diego of \$50,000.
- b. Increase total one-time additional expenditures in the IBA FY 2015 Report to \$299,500 from \$138,500 by:
 - increasing the Library Materials Budget from \$48,500 to \$209,500;
 - decreasing one-time expenses allocated to Civic San Diego by \$175,000;
 - and
 - decreasing use of Excess Equity to \$124,500 from \$138,500.

BE IT FURTHER RESOLVED, that the Mayor is directed to present to the City Council the Fiscal Year 2015 First Quarter Budget Monitoring Report (First Quarter Budget Monitoring Report), along with the Five Year Financial Outlook, no later than November 30, 2014.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to return, as soon as practicable, the Approved Budget to the Mayor in accordance with section 290(b)(2)(A) of the Charter.

APPROVED: JAN I. GOLDSMITH, City Attorney

By


Brant C. Will
Deputy City Attorney

BCW:jdf:sc
05/30/14
06/10/14 REV.
Or.Dept:IBA
Doc. No. 797039_3

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 09 2014

ELIZABETH S. MALAND
City Clerk

By


Deputy City Clerk

Approved:

6/10/14
(date)


KEVIN L. FAULCONER, Mayor

Vetoed:

(date)

KEVIN L. FAULCONER, Mayor

Attachment G

Passed by the Council of The City of San Diego on JUN 09 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 10 2014.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Karen Chish, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 308995

RESOLUTION NUMBER R- 309142

DATE OF FINAL PASSAGE JUL 28 2014

RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO ADOPTING THE STATEMENT OF
BUDGETARY PRINCIPLES WITH RESPECT TO
ADMINISTRATION BY THE MAYOR OF THE FISCAL
YEAR 2015 BUDGET

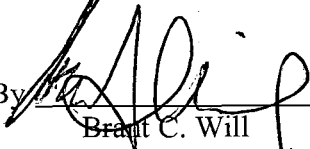
WHEREAS, in accordance with San Diego Charter sections 71 and 290, on July 21, 2014, the City Council is expected to adopt the Appropriation Ordinance to provide for the appropriation and expenditure of funds for the Fiscal Year 2015; and

WHEREAS, the Mayor and the City Council desire to provide for the effective administration of the Fiscal Year 2015 budget; and

WHEREAS, the Independent Budget Analyst, in consultation with the Mayor, has prepared a Statement of Budgetary Principles, on file with the City Clerk as Document No. RR-309142, which acknowledges the duties of the Mayor as Chief Budget Officer and Chief Fiscal Officer of the City, and the City Council as sole legislative and lawmaking body of the City; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Council hereby adopts the Statement of Budgetary Principles.

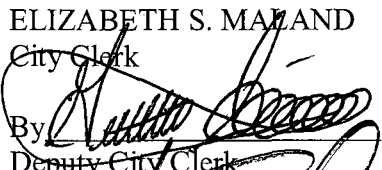
APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
7/10/14
Or.Dept:IBA
Doc. No.: 820003

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 21 2014.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 7/25/14
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUL 21 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 28 2014

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 309142

FY 2015 STATEMENT OF BUDGETARY PRINCIPLES

WHEREAS, pursuant to section 265(b)(15) of the City Charter the Mayor is required to propose a budget to the Council and make it available for public view no later than April 15 of each year; and

WHEREAS, on April 14, 2014, the Mayor released the Fiscal Year 2015 Proposed Budget to the Council and to the public; and

WHEREAS, the Council has duly considered the Mayor's Fiscal Year 2015 Budget; and

WHEREAS, between May 5 and June 9, 2014 the City Council held more than two public hearings to consider the City's Fiscal Year 2015 Budget in accordance with San Diego Charter sections 290(b) and 71, and at such meetings members of the public were invited to comment on and ask questions about the Fiscal Year 2015 Budget; and

WHEREAS, on May 21, 2014, the Mayor's May revision (May Revision) to the Proposed Budget was presented to the City Council; and

WHEREAS, Council members submitted their budget priorities to the Independent Budget Analyst on May 23, 2014 to assist with the development of final budget recommendations; and

WHEREAS, on May 20, 2014, the Chief Operating Officer and the Financial Management Director provided the City Council with their May Revision to the Fiscal Year 2015 Proposed Budget (May Revision); and

WHEREAS, on June 4, 2014, the Independent Budget Analyst's Final Budget Report and Recommendations on the FY 2015 Budget (IBA Report # 14-20 *Review of the FY 2015 May Revise and Recommended Revisions to the Mayor's FY 2015 Budget*) was issued; and

WHEREAS, on June 9, 2014, the City Council approved the City's Fiscal Year 2015 Budget, including the Mayor's Proposed Budget, as modified by the May Revision, and including the recommendations in the IBA Final Report on the FY 2015 Budget, dated June 4, 2014, with revisions proposed by the City Council, and directed the City Clerk to return the same to the Mayor for his consideration under Charter section 290(b)(2); and

WHEREAS, on June 10, 2014 the Mayor approved the Fiscal Year 2015 Budget, in accordance with Charter section 290(b)(2)(A); and

WHEREAS, in accordance with Charter section 290(b)(2), on June 10, 2014 the Fiscal Year 2015 Budget became the controlling document for purposes of preparing the annual appropriation ordinance; and

WHEREAS, pursuant to Charter section 71 and 290(c), the Council is required to adopt an appropriation ordinance during the month of July to establish budgetary appropriations for the Fiscal Year 2015 Budget; and

WHEREAS, the Mayor and the Council acknowledge that the Fiscal Year 2015 Budget reflects the best estimate of the Mayor and the Council regarding projected revenues and expenditures and that such estimate is simply a financial plan that may require adjustments in view of the available resources; and

WHEREAS, the City Council adopted Ordinance 20084 on August 4, 2011, which outlined amendments to the Municipal Code in regard to reporting mid-year budget adjustments to address any projected surplus or deficit in addition to reporting significant reductions in programs or services; and

WHEREAS, this Statement of Budgetary Principles is intended to facilitate better communication on fiscal matters between the Council and the Mayor and to establish a framework for the administration by the Mayor of the Fiscal Year 2015 Budget in light of the respective duties of the Mayor as Chief Executive Officer and Chief Budget Officer of the City, and the duties of the Council as the legislative and policy setting body of the City, and in light of the obligation of public officials to keep the public apprised of the conduct of the City's financial affairs; and

WHEREAS, the City Council adopted Resolution 307737 on October 15, 2012, with the Mayor subsequently signing the Resolution on October 23, 2012, establishing ten fundamental principles for an effective, cooperative and transparent Mayor-Council form of government in the City of San Diego ("Ten Fundamental Principles").

Accordingly, the Mayor and the Council hereby agree to adhere to the following budgetary principles for the Fiscal Year 2015 Budget:

Fiscal Year 2015 Budget---Communication on Proposed Program / Service Changes

1. The Mayor, or his designee, will provide reports to the Council on a quarterly basis regarding the administration of the affairs of the City. These reports can be given verbally, and are intended to improve the flow of information between the Mayor, Council and public.
2. The Council President will provide time on the Council's agenda for the Report of the Mayor.
3. Consistent with O-20084, prior to any reduction in service levels or elimination of programs or services as represented and funded in the FY

2015 Adopted Budget, the Mayor, or designee, shall provide written notice to the City Council regarding such reductions and provide a fiscal justification thereof and a description of expected service levels impacts.

4. Notwithstanding the forgoing, the Mayor need not provide prior written notice of any change or modification that results in a more efficient delivery of public services and that accomplishes the legislative intent. However, in these circumstances the Mayor is requested to provide the Council with an informational memo upon implementation.

Fiscal Year 2015 Budget---Appropriation Ordinance

1. Neither the Mayor nor the Council has unilateral authority to make changes to the spending authority contained in the Fiscal Year 2015 Budget.
2. The Mayor shall in good faith fulfill the legislative intent reflected in the adopted Fiscal Year 2015 Budget, including the appropriations reflected in the Fiscal Year 2015 Appropriation Ordinance. However, the Mayor has discretion to effectively and efficiently spend public monies, and shall not be obligated to spend all the money the Council has appropriated if there is a less costly means of accomplishing the Council's stated purposes.
3. The Council shall have no authority to make or adopt changes to the Fiscal Year 2015 Budget without first receiving a funding recommendation of the Mayor. The Mayor will provide such funding recommendation within 30 calendar days of the Council request, or such later period as contained in the request of the Council.
4. In accordance with Charter sections 28 and 81, the Mayor has the authority to allocate Fiscal Year 2015 Budget appropriations within departments in order to best carry out the Council's legislative intent.
5. The Appropriation Ordinance implements the Fiscal Year 2015 Budget, as approved by the Council. The Appropriation Ordinance shall specify the spending authority by Department and by Fund, and all other conditions, authorizations and requirements appropriate therefore. The Appropriation Ordinance will include necessary budget delegation to carry out the business of the City; provided however, the Appropriation Ordinance will not include Policy directions.
6. The Statement of Budgetary Principles applies to departments and programs that are under the direction and authority of the Mayor. These Principles shall also apply to those offices that are independent of the Mayor. This Statement of Budgetary Principles is subject in all respects to the provisions of the City Charter.

Fiscal Year 2015 Budget – “Budget-Related Fundamental Principles for an Effective, Cooperative, and Transparent Mayor-Council Form of Government” applying to budget implementation

1. The “Structural Budget Deficit Principles” adopted by Council on February 22, 2010 and outlined in Resolution 305615 should be continually adhered to ensuring a structurally balanced budget.
2. The Mayor will update the City’s Five-Year Financial Outlook (Outlook) in November 2014 and present the results to the Committee on Budget and Government Efficiency and City Council.
3. Per the Ten Fundamental Principles, beginning this fiscal year, the Mayor will issue quarterly stand-alone “City of San Diego Quarterly Performance Reports” to the City Council, which will also be made available on the City’s website.
4. The Mayor will address the City's deferred capital backlog by implementing funded projects in a timely and cost effective manner and working with the Council to identify resources necessary to address remaining unfunded deferred capital as well as new infrastructure needs.

(O-2015-10)

ORDINANCE NUMBER O- 20389 (NEW SERIES)

DATE OF FINAL PASSAGE JUL 21 2014

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR
FISCAL YEAR 2015 AND APPROPRIATING THE
NECESSARY MONEY TO OPERATE THE CITY OF
SAN DIEGO FOR SAID FISCAL YEAR.

WHEREAS, San Diego City Charter (Charter) section 71 requires that the form,
arrangement and itemization of the Appropriation Ordinance be determined and prescribed by
the Chief Financial Officer and the City Attorney; and

WHEREAS, in accordance with Charter section 290, the annual Salary Ordinance and the
adopted budget are controlling documents for the preparation of the Appropriation Ordinance;
and

WHEREAS, on April 29, 2014 Ordinance No. O-20365, the Salary Ordinance, was
approved by the City Council in accordance with Charter section 290; and

WHEREAS, on June 10, 2014, the Mayor approved R-308995 (Budget Resolution),
adopting the Fiscal Year 2015 Budget; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. The budget for the expense of conducting the affairs of the City of
San Diego (City) for the fiscal year commencing July 1, 2014, and ending June 30, 2015 (Fiscal
Year), heretofore prepared and submitted to this City Council by the Mayor is hereby adopted as
the Annual Budget for said Fiscal Year.

Section 2. There is hereby appropriated for expenditure out of the funds of said City
for municipal purposes the amounts set forth in Attachment I and in the approved Capital
Improvements Program Budget, which defines the legal levels at which the Chief Financial
Officer (CFO), as designee of the Mayor, shall control operational and capital project spending.

A. GENERAL FUND

1. The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.
2. The provisions in the Library Ordinance, San Diego Municipal Code section 22.0228, restricting funding are hereby waived.
3. The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.
4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved economic development, business incentive and other programs that include the Business and Industry Incentive Program (Council Policy 900-12), the Housing Impact Fee Waiver–Enterprise Zones Program (Council Policy 900-12), the Small Business Enhancement Program (Council Policy 900-12), the Storefront Improvement Program (Council Policy 900-15), the Storefront Improvement Program (Council Policy 900-17), and Mission Bay and Other Regional Park Improvements (San Diego Charter section 55.2b).
5. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved Community Parking District Policy (Council Policy 100-18).
The CFO is authorized to transfer funds from Community Parking District Funds to the General Fund, and to appropriate and expend those funds for

the purpose of implementing City Council approved Community Parking District Plans in accordance with the Community Parking District Policy (Council Policy 100-18).

6. The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.
7. City Council Community Projects, Programs and Services
 - (a) The City Council Community Projects, Programs and Services funds shall be administered in accordance with Council Policy 100-06.
 - (b) Upon written direction from the City Councilmember, the CFO is authorized to transfer and appropriate funds from that Councilmember's Community Projects, Programs and Services account to other City departments and/or existing capital improvement projects to implement the project, program or service identified by the Councilmember.
 - (c) Upon written direction from the City Councilmember, the CFO is authorized to transfer excess non-personnel appropriations from the administration of that Councilmember's office to the Councilmember's Community Projects, Programs and Services account.
8. The CFO is authorized to modify revenue and expenditure appropriations for the purpose of transferring funds to Civic San Diego in accordance

with any approved adjustments to the Fiscal Year 2015 Budget for Civic San Diego, solely in its capacity as the designated successor agency to the former Redevelopment Agency (Successor Agency).

B. SPECIAL REVENUE FUNDS

1. Transient Occupancy Tax Fund (Fund No. 200205)

The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the City Council hereby waives certain provisions of Council Policy 100-03, *see* Attachment II, for the entities set forth below:

Horton Plaza Theatres Foundation

B-1, B-2, and B-4

CONNECT2Careers Program

B-1, B-2, B-3 and B-4

2. The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations for Fiscal Year 2015. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

3. Environmental Growth Funds (Funds Nos. 200110, 200111, 200109)

- (a) It is the intent of the City Council that the Environmental Growth Fund(s) appropriations are to be expended for those purposes described in Charter section 103.1a. The provisions in the San Diego Municipal Code Section 63.30 as amended by Ordinance No. O-19159 dated March 17, 2003, are hereby waived.

- (b) Any monies deposited in the Environmental Growth Fund(s) in excess of estimated revenue as described in Charter section 103.1a and any carryover monies from the previous fiscal year are hereby appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by City Council resolution. The City Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional monies to the Environmental Growth Fund from sources other than those enumerated in Charter section 103.1a. In that event, those additional monies shall not be subject to any fractional allocation but shall be used solely and exclusively for the program purpose designated by City Council.

4. Maintenance Assessment District Funds

- (a) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District (MAD) Funds excess revenue or reserves to increase the appropriations to reimburse the MAD Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.
- (b) The CFO is authorized to appropriate and expend any monies deposited in the MAD Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which said Fund(s) was created.

- (c) The CFO is authorized to transfer Capital Improvements Program (CIP) appropriations and any remaining fund balances from the MAD Capital Projects Funds to the appropriate MAD Funds, where the reallocation does not change the CIP project budget nor the funding source, and close the MAD Capital Projects Funds.

MAD	CIP Fund No.	MAD Fund No.
Camino Santa Fe	200624	200081
Carmel Valley	200620	200033
El Cajon Boulevard	200050	200095
First SD River Improvement Project	200054	200053
Genesee/No. Torrey Pines Road	200623	200068
North Park	200064	200063
Penasquitos East	200628	200039
Rancho Bernardo	200622	200038
Talmadge	200077	200076

5. Zoological Exhibits Fund (Fund No. 200219)

The CFO is authorized to appropriate and expend unanticipated revenues or fund balance for the purpose of transferring funds to support zoological exhibits in accordance with Charter section 77A.

6. Utilities Undergrounding Program Fund (Fund No. 200217)

The CFO is authorized to reallocate appropriations among the Utilities Undergrounding Program Fund's capital improvement project (AID00001) and the annual operating budget for costs associated with San Diego Gas and Electric provided that such reallocation does not increase or decrease the total Utilities Undergrounding Program Fund appropriations.

7. Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306)

The CFO is authorized to adjust operating appropriations in the Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306) at the end of the fiscal year based on actual revenues received and/or available fund balance.

C. CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENTS PROGRAM

1. The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the CIP.
 2. The CFO is authorized to close completed CIP projects and transfer unexpended balances to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to the maximum amount listed, or to the appropriate reserve, or to Fund Balance.
 3. Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from Annual Allocations, earned interest or Unappropriated Fund Balances to CIP projects to support remaining project costs in excess of approved appropriations in order to complete and/or close the project.
 4. The CFO is authorized to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and engineering costs of projects included in the long-range CIP Budget. Such advances shall be reimbursed to the respective Fund upon appropriation.
- In addition, the CFO is authorized and directed to advance funds as

required for grant funded projects based on earned grant revenue receivable. Advances will be returned upon the payment of the grant receivable.

5. The CFO is authorized to reallocate revenue sources between CIP projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.
6. Facilities Benefit Assessment Funds and Development Impact Fee Funds (Fund Nos. 400080-400095, 400111-400137, 400097-400110, 400849, 400855-400857)
 - (a) The CFO is authorized to modify individual project appropriations and/or add new projects to the CIP in accordance with City Council-approved Community Public Facilities Financing Plans provided funding is available for such action.
 - (b) The CFO is authorized to reallocate Development Impact Fee Funds (DIF) funded appropriations between City Council-approved projects to expedite the use of DIF funds in accordance with AB1600 requirements.
 - (c) The CFO is authorized to appropriate in the Facilities Benefit Assessment Funds (FBA) and DIF funds a sufficient and necessary amount to reimburse the administrative costs incurred by other City funds.

7. Mission Bay Improvements Fund (Fund No. 200386) and Regional Park Improvements Fund (Fund No. 200391)

The CFO is authorized to increase and/or decrease appropriations in the Mission Bay Improvements project (AGF00004) and Regional Park Improvements project (AGF00005) at the end of the fiscal year based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.

8. The CFO is authorized to appropriate and expend interest earnings from any bond construction funds for the purpose of transferring bond construction fund interest earned to support debt service payments as permitted in the respective bond indenture(s).

9. The CFO is authorized to transfer unexpended capital bond fund appropriations from completed and closed CIP projects to an Annual Allocation for the same asset type (e.g., facilities, streets or storm drains) in order to expedite the expenditure of capital bond funds.

D. ENTERPRISE FUNDS

1. All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.
2. Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The CFO is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City's Reserve Policy.

3. Water Funds (Fund Nos. 700011, 700010) and Sewer Funds (Fund Nos. 700000, 700001, 700008, 700009)
- (a) The CFO may reallocate appropriations and associated encumbrances from any City Council approved budgeted project in the CIP to the Fund's annual operating budget for costs associated with extended environmental monitoring for re-vegetation. Such reallocation shall decrease the total appropriation and encumbrance for the project and increase the appropriation and encumbrance in the annual operating budget by an equal amount provided that the reallocation is no greater than 5% of the Capital Project Budget.
 - (b) The CFO is authorized to increase expenditure appropriations for the purpose of implementing the Metropolitan Wastewater Department and Water Department Fiscal years 2011 and prior Memorandums of Understanding for Bid to Goal Public Contract Operations Agreements.
 - (c) The CFO is authorized to transfer CIP appropriations and associated fund balances from the Water and Sewer operating funds (Fund Nos. 700011, 700000, 700001) into Water and Sewer CIP funds (Fund Nos. 700010, 700008, 700009) where the reallocation does not change the CIP project budget nor the funding source.

E. INTERNAL SERVICE FUNDS

1. The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to the appropriate contributing funds or between employee benefit-related internal service funds.

2. Fleet Services Operating Fund (Fund No. 720000) and Fleet Services Replacement Funds

The CFO is hereby authorized to redistribute contributions among the Fleet Services Operating and Fleet Services Replacement Internal Service Funds or to advance funds between these internal service funds.

3. Central Stores Fund (Fund No. 720040), Publishing Services Fund (Fund No. 720041), Fleet Services Operating Fund (Fund No. 720000), Fleet Services Replacement Funds (Fund No. 720001-720038, 720056), Risk Management Administration Fund (Fund No. 720048), and Engineering and Capital Projects Fund (Fund No. 720057)

The CFO is hereby authorized to appropriate expenditures from unanticipated revenues for the purpose of allowing for the uninterrupted provision of services.

F. TRUST AND AGENCY FUNDS

These Funds are established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example, federal and State income taxes withheld from employees, 401(k) and deferred compensation plans, parking citation revenues, and employee benefit plans. The

CFO is authorized and directed to establish the appropriate agency funds and to deposit and disburse funds in accordance with the respective agency relationships.

G. GRANT FUNDS

Community Development Block Grant Funds

- (a) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG Funds on June 30, 2014, shall be carried forward to future years for the purpose of completing said authorized activities in accordance with Council Policy 700-02 which includes the requirement to use funds within 18 months of the start of the fiscal year for which the funds are allocated.
- (b) The CFO is authorized to transfer funds allocated to projects that have been completed, or where any portion has been deemed ineligible upon written confirmation from the sub-recipient or the CDBG Program office or in accordance with section 2.C.2 for the City's CIP projects, to Unobligated CDBG Funds to be reappropriated by the City Council.
- (c) In accordance with section 2.C.3 herein, the CFO is authorized to transfer and appropriate a maximum of \$100,000 per City CIP project from Unobligated CDBG Funds or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

Section 3. The Mayor is hereby authorized to execute appropriate initial and continuing contracts and agreements for the conduct of activities associated with the allocations authorized by City Council and in accordance with provisions of grant agreements.

Section 4. The CFO is authorized and directed to make inter-fund loans, including interest at the City's pooled rate of return, between funds to cover cash needs. These loans may, if appropriate, extend beyond the current Fiscal Year.

Section 5. All interest earnings generated by any fund which has been established pursuant to a legal or contractual requirement, externally imposed restriction, or by enabling legislation (including, but not limited to, the Appropriation Ordinance) shall remain in said fund solely for the purpose the fund was intended.

Section 6. All Funds, not otherwise contained herein, established by the City Council in previous fiscal years or during the current fiscal year, are appropriated for the purposes established by applicable laws and/or in accordance with provisions of agreements authorized by Council and for projects contained in the Council-approved CIP or authorized by Council resolution. The CFO is authorized and directed to appropriate and expend monies within the funds for services provided by those funds. The CFO is authorized and directed to return any surplus monies to the contributing funds or, when the contributing funds cannot be legally determined, to the General Fund.

Section 7. The CFO is authorized and directed to transfer current and/or prior years' surplus monies within the Flexible Benefit/Management Benefit Programs' reimbursement funds after fiscal year end. Any remaining surplus monies (excluding flexible spending accounts) in the reimbursement funds may be transferred by the CFO to the Risk Management Administration

Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus/reserves within other employee benefit funds or to reallocate these monies to other fringe benefit funds.

Section 8. The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

The CFO may transfer funds to related City entities in accordance with the Annual Budget Document and appropriate funding source rules and regulations.

Section 9. The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

Section 10. All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission Bay Park and Ocean Beach Park as required by agreements with the State of California. Unanticipated revenues are hereby appropriated for said purposes and may be expended only by Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

All revenues generated by sovereign trust lands granted by the State of California to the City pursuant to California Public Resources Code section 6306 are hereby appropriated for purposes consistent with the Public Trust.

Section 11. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue may be transferred by the CFO to legally established reserve fund(s) or account(s). However, in no event shall the total appropriations of all tax revenues as defined by article XIII B of the California Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is \$3,007,271,243, a portion of which will be derived from proceeds of taxes as defined within article XIII B of the California Constitution.

It is the intent of this ordinance to comply with article XIII B of the California Constitution.

Section 12. The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year 2015 Tax Rate Ordinance as approved by Council.

Section 13. The CFO is authorized and directed to close obsolete or inactive funds and appropriate and expend for the purpose of returning residual balances of such funds to their source or, if the source cannot be determined, to the General Fund. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

Section 14. The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there is a shortfall in projected revenues, there are sufficient revenues to cover the remaining appropriations; provided that in the case that projected revenue estimates are met, the restricted funds may be released.

Section 15. Unless otherwise specified in this ordinance, the CFO is authorized to modify appropriations upon adopted City Council resolution, provided funding is available for such action and in accordance with funding source guidelines and applicable grant agreements.

Section 16. The powers of the City Council not delegated to the Mayor and CFO, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

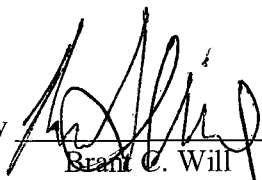
Section 17. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

Section 18. This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

Section 19. The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Brian C. Will
Deputy City Attorney

BCW:jdf
7/7/2014
Or.Dept: FM
Doc. No.: 817160

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~

NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O- _____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR
FISCAL YEAR 2014 AND APPROPRIATING THE
NECESSARY MONEY TO OPERATE THE CITY OF
SAN DIEGO FOR SAID FISCAL YEAR.

WHEREAS, San Diego City Charter (Charter) section 71 requires that the form,
arrangement and itemization of the Appropriation Ordinance be determined and prescribed by
the Chief Financial Officer and the City Attorney; and

WHEREAS, in accordance with Charter section 290, the annual Salary Ordinance and the
adopted budget are controlling documents for the preparation of the Appropriation Ordinance;
and

WHEREAS, on ~~May 14, 2013~~ April 29, 2014, Ordinance No. ~~O-20260~~ O-20365, the
Salary Ordinance, was approved by the City Council in accordance with Charter section 290 ~~and~~
~~on June 25, 2013, Ordinance No. O-20272, was approved by the City Council as an amendment~~
~~to Ordinance No. O-20260. Ordinance No. O-20260 and Ordinance No. O-20272 are,~~
~~collectively, the Salary Ordinance. ; and~~

WHEREAS, on ~~June 19, 2013~~, the Mayor approved ~~R-308247~~ (Budget Resolution),
adopting the Fiscal Year 2014 Budget ~~and exercising his line item veto on certain items~~
~~approved by the City Council; and~~, NOW, THEREFORE,

~~WHEREAS, on June 25, 2013, the City Council reconsidered the Mayor's line item veto~~
~~but there were insufficient votes to override the Mayor's veto; and~~

~~WHEREAS, on June 28, 2013, the Board of Administration of the San Diego City Employees' Retirement System declined to adopt a revised actuarial valuation which would have reduced the City's required pension contribution; and~~

~~WHEREAS, certain items approved by the City Council, identified as items c, d, e, and f in the Budget Resolution, were dependent on realizing budgetary savings resulting from a reduced pension contribution and such items are not included in the Fiscal Year 2014 Adopted Budget (Adopted Budget) because the pension contribution was not reduced, NOW, THEREFORE,~~

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. The budget for the expense of conducting the affairs of the City of San Diego (City) for the fiscal year commencing July 1, 2013, and ending June 30, 2014 (Fiscal Year), heretofore prepared and submitted to this City Council by the Mayor is hereby adopted as the Annual Budget for said Fiscal Year.

Section 2. There is hereby appropriated for expenditure out of the funds of said City for municipal purposes the amounts set forth in Attachment I and in the approved Capital Improvements Program Budget, which defines the legal levels at which the Chief Financial Officer (CFO), as designee of the Mayor, shall control operational and capital project spending.

A. GENERAL FUND

1. The CFO is authorized to appropriate and expend interest earnings and/or original issue premium generated from the issuance and/or administration of Tax and Revenue Anticipation Notes for the purpose of funding expenditures related to their issuance, including interest costs.
2. The provisions in the Library Ordinance, San Diego Municipal Code

section 22.0228, restricting funding are hereby waived.

3. The CFO is authorized to transfer appropriations for costs avoided in one department by a mutual agreement to incur them in another department.
4. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved economic development, business incentive and other programs that include the Business and Industry Incentive Program (Council Policy 900-12), the Housing Impact Fee Waiver–Enterprise Zones Program (Council Policy 900-12), the Small Business Enhancement Program (Council Policy 900-15), the Storefront Improvement Program (Council Policy 900-17), ~~the Community Parking District Policy (Council Policy 100-18)~~, and Mission Bay and Other Regional Park Improvements (San Diego Charter section 55.2b).
5. The CFO is authorized to increase and/or decrease revenue and expenditure appropriations for the purpose of implementing City Council approved Community Parking District Policy (Council Policy 100-18).
The CFO is authorized to transfer funds from Community Parking District Funds to the General Fund, and to appropriate and expend those funds for the purpose of implementing City Council approved Community Parking District Plans in accordance with the Community Parking District Policy (Council Policy 100-18).

~~5.6.~~ The CFO is authorized to increase revenue and expenditure appropriations for the purpose of paying unanticipated Property Tax Administration fees to the County of San Diego.

~~6.7.~~ City Council Community Projects, Programs and Services

- (a) The City Council Community Projects, Programs and Services funds shall be administered in accordance with Council Policy 100-06.
- (b) Upon written direction from the City Councilmember, the CFO is authorized to transfer and appropriate funds from that Councilmember's Community Projects, Programs and Services account to other City departments and/or existing capital improvement projects to implement the project, program or service identified by the Councilmember.
- (c) Upon written direction from the City Councilmember, the CFO is authorized to transfer excess non-personnel appropriations from the administration of that Councilmember's office to the Councilmember's Community Projects, Programs and Services account.

~~7.8.~~ The CFO is authorized to modify revenue and expenditure appropriations for the purpose of transferring funds to Civic San Diego in accordance with any approved adjustments to the Fiscal Year 2014 Budget for Civic San Diego, solely in its capacity as the designated successor agency to the former Redevelopment Agency (Successor Agency).

B. SPECIAL REVENUE FUNDS

1. Transient Occupancy Tax Fund (Fund No. 200205)

The provisions of Council Policy 100-03 (Transient Occupancy Tax), for specific activities funded by this ordinance, are deemed and declared to be complied with, by the adoption of this Ordinance. Notwithstanding the foregoing, the City Council hereby waives certain provisions of Council Policy 100-03, see Attachment II, for the entities set forth below:

Horton Plaza Theatres Foundation B-1, B-2, and B-4

CONNECT2Careers Program B-1, B-2, B-3 AND B-4

2. The Mayor or his designee is hereby authorized to execute appropriate agreements for the conduct of activities associated with the allocations for Fiscal Year 20145. It is the intent of the City Council that the Transient Occupancy Tax Fund appropriations be expended in accordance with Council Policy 100-03.

3. Environmental Growth Funds (Funds Nos. 200110, 200111, 200109)

- (a) It is the intent of the City Council that the Environmental Growth Fund(s) appropriations are to be expended for those purposes described in Charter section 103.1a. The provisions in the San Diego Municipal Code Section 63.30 as amended by Ordinance No. O-19159 dated March 17, 2003, are hereby waived.
- (b) Any monies deposited in the Environmental Growth Fund(s) in excess of estimated revenue as described in Charter section 103.1a and any carryover monies from the previous fiscal year are hereby

appropriated for the purpose for which the Environmental Growth Fund was created and may be expended only by City Council resolution. The City Council may, from time-to-time, for purposes of augmenting specified programs, elect to allocate additional monies to the Environmental Growth Fund from sources other than those enumerated in Charter section 103.1a. In that event, those additional monies shall not be subject to any fractional allocation but shall be used solely and exclusively for the program purpose designated by City Council.

4. Maintenance Assessment District Funds

- (a) The CFO is authorized to transfer allocations from contributing Maintenance Assessment District (MAD) Funds excess revenue or reserves to increase the appropriations to reimburse the MAD Management Fund (Fund No. 200023) accordingly, in the event that actual expenses related to administration exceed budgeted levels.
- (b) The CFO is authorized to appropriate and expend any monies deposited in the MAD Funds in excess of estimated revenue and any carryover monies from the previous fiscal year for which said Fund(s) was created.
- (c) The CFO is authorized to transfer Capital Improvements Program (CIP) appropriations and any remaining fund balances from the MAD Capital Projects Funds to the appropriate MAD Funds,

where the reallocation does not change the CIP project budget nor the funding source, and close the MAD Capital Projects Funds.

MAD	CIP Fund No.	MAD Fund No.
Camino Santa Fe	200624	200081
Carmel Valley	200620	200033
Del Mar Terrace	200060	200059
El Cajon Boulevard	200050	200095
First SD River Improvement Project	200054	200053
Genesee/No. Torrey Pines Road	200623	200068
Mira Mesa	200621	200037
North Park	200064	200063
Penasquitos East	200628	200039
Park Village	200043	200042
Rancho Bernardo	200622	200038
Talmadge	200077	200076

5. Zoological Exhibits Fund (Fund No. 200219)

The CFO is authorized to appropriate and expend unanticipated revenues or fund balance for the purpose of transferring funds to support zoological exhibits in accordance with Charter section 77A.

6. Utilities Undergrounding Program Fund (Fund No. 200217)

The CFO is authorized to reallocate appropriations among the Utilities Undergrounding Program Fund's capital improvement project (AID00001) and the annual operating budget for costs associated with San Diego Gas and Electric provided that such reallocation does not increase or decrease the total Utilities Undergrounding Program Fund appropriations.

7. Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306)

The CFO is authorized to adjust operating appropriations in the Prop 42 Replacement – Transportation Relief Fund (Fund No. 200306 at the end of

the fiscal year based on actual revenues received and/or available fund balance.

C. CAPITAL PROJECTS FUNDS AND CAPITAL IMPROVEMENTS PROGRAM

1. The CFO is authorized to add maintenance projects funded elsewhere which are determined to be of a capital nature to the CIP.
2. The CFO is authorized to close completed CIP projects and transfer unexpended balances to the underfunded projects (Attachment III) in priority order, contingent upon eligibility for the funding source and up to the maximum amount listed, or to the appropriate ~~Unallocated Reserve~~, ~~Annual Allocation~~ or to Fund Balance.
3. Once an asset has been put in service, the CFO is authorized to transfer and appropriate a maximum of \$200,000 per project not to exceed 10% of the project budget from ~~Unallocated Reserves~~, Annual Allocations, earned interest or Unappropriated Fund Balances to CIP projects to support remaining project costs in excess of approved appropriations in order to complete and/or close the project.
4. The CFO is authorized to make cash advances from the appropriate revenue source funds for the purpose of funding incidental and engineering costs of projects included in the long-range CIP Budget. Such advances shall be reimbursed to the respective Fund upon appropriation. In addition, the CFO is authorized and directed to advance funds as required for grant funded projects based on earned grant revenue

receivable. Advances will be returned upon the payment of the grant receivable.

5. The CFO is authorized to reallocate revenue sources between CIP projects, in accordance with the restrictions placed on various revenues where the net reallocation does not result in a net increase to any of the revenue sources or project budgets.
6. Facilities Benefit Assessment Funds and Development Impact Fee Funds (Fund Nos. 400080-400095, 400111-400136, 400097-400110, 400849, 400855-400857)
 - (a) The CFO is authorized to modify individual project appropriations and/or add new projects to the CIP in accordance with City Council-approved Community Public Facilities Financing Plans provided funding is available for such action.
 - (b) The CFO is authorized to reallocate Development Impact Fee Funds (DIF) funded appropriations between City Council-approved projects to expedite the use of DIF funds in accordance with AB1600 requirements.
 - (c) The CFO is authorized to appropriate in the Facilities Benefit Assessment Funds (FBA) and DIF funds a sufficient and necessary amount to reimburse the administrative costs incurred by other City funds.
7. Mission Bay Improvements Fund (Fund No. 200386) and Regional Park Improvements Fund (Fund No. 200391)

The CFO is authorized to increase and/or decrease appropriations in the Mission Bay Improvements project (AGF00004) and Regional Park Improvements project (AGF00005) at the end of the fiscal year based on actual revenues received and/or available fund balance to support capital improvements in accordance with Charter section 55.2.

8. The CFO is authorized to appropriate and expend interest earnings from any bond construction funds for the purpose of transferring bond construction fund interest earned to support debt service payments as permitted in the respective bond indenture(s).
9. The CFO is authorized to transfer unexpended capital bond fund appropriations from completed and closed CIP projects to an Annual Allocation for the same asset type (e.g., facilities, streets or storm drains) in order to expedite the expenditure of capital bond funds.

D. ENTERPRISE FUNDS

1. All Enterprise Funds are hereby appropriated for the purpose of providing for the operation, maintenance and development of their respective purposes.
2. Reserve Funds are hereby appropriated to provide funds for the purpose for which the Fund was created. The CFO is hereby authorized to return to the source Fund monies deposited in Reserve Funds in excess of amounts required, consistent with the City's Reserve Policy.
3. Water Funds (Fund Nos. 700011, 700010) and Sewer Funds (Fund Nos. 700000, 700001, 700008, 700009)

- (a) The CFO may reallocate appropriations and associated encumbrances from any City Council approved budgeted project in the CIP to the Fund's annual operating budget for costs associated with extended environmental monitoring for re-vegetation. Such reallocation shall decrease the total appropriation and encumbrance for the project and increase the appropriation and encumbrance in the annual operating budget by an equal amount provided that the reallocation is no greater than 5% of the Capital Project Budget.
- (b) The CFO is authorized to increase expenditure appropriations for the purpose of implementing the Metropolitan Wastewater Department and Water Department Fiscal Years 2011 and prior Memorandums of Understanding for Bid to Goal Public Contract Operations Agreements.
- (c) The CFO is authorized to transfer CIP appropriations and associated fund balances from the Water and Sewer operating funds (Fund Nos. 700011, 700000, 700001) into Water and Sewer CIP funds (Fund Nos. 700010, 700008, 700009) where the reallocation does not change the CIP project budget nor the funding source.

E. INTERNAL SERVICE FUNDS

- 1. The CFO is hereby authorized to distribute surplus retained earnings or excess contributions from various internal service funds back to the

appropriate contributing funds or between employee benefit-related internal service funds.

2. ~~Equipment~~ Fleet Services Operating Fund (Fund No. 720000) and ~~Equipment~~ Fleet Services Replacement Funds.

The CFO is hereby authorized to redistribute contributions among the ~~Equipment~~ Fleet Services Operating and ~~Equipment~~ Fleet Services Replacement Internal Service Funds or to advance funds between these internal service funds.

3. Central Stores Fund (Fund No. 720040), Publishing Services Fund (Fund No. 720041), ~~Equipment~~ Fleet Services Operating Fund (Fund No. 720000), ~~Equipment~~ Fleet Services Replacement Funds, and Risk Management Administration Fund (Fund No. 720048), and Engineering and Capital Projects Fund (Fund No. 720057)

The CFO is hereby authorized to appropriate expenditures from unanticipated revenues for the purpose of allowing for the uninterrupted provision of services.

F. TRUST AND AGENCY FUNDS

These Funds are established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example, federal and State income taxes withheld from employees, 401(k) and deferred compensation plans, parking citation revenues, and employee benefit plans. The CFO is authorized and directed to establish the appropriate agency funds and to deposit and disburse funds in accordance with the respective agency relationships.

G. GRANT FUNDS

Community Development Block Grant Funds

- (a) Community Development Block Grant (CDBG) Funds are appropriated for the purposes established by the grant provisions as approved and authorized by the City Council. All authorized but incomplete program activities and unexpended monies related thereto remaining in the CDBG Funds on June 30, 2014, shall be carried forward to future years for the purpose of completing said authorized activities in accordance with Council Policy 700-02 which includes the requirement to use funds within 18 months of the start of the fiscal year for which the funds are allocated.
- (b) The CFO is authorized to transfer funds allocated to projects that have been completed, or where any portion has been deemed ineligible upon written confirmation from the sub-recipient or the CDBG Program office or in accordance with section 2.C.2 for the City's CIP projects, to Unobligated CDBG Funds to be reappropriated by the City Council.
- (c) In accordance with section 2.C.3 herein, the CFO is authorized to transfer and appropriate a maximum of \$100,000 per City CIP project from Unobligated CDBG Funds or excess program income to projects for eligible costs, such as engineering, in excess of previously approved appropriations.

Section 3. The Mayor is hereby authorized to execute appropriate initial and continuing contracts and agreements for the conduct of activities associated with the allocations authorized by City Council and in accordance with provisions of grant agreements.

Section 4. The CFO is authorized and directed to make inter-fund loans, including interest at the City's pooled rate of return, between funds to cover cash needs. These loans may, if appropriate, extend beyond the current Fiscal Year.

Section 5. All interest earnings generated by any fund which has been established pursuant to a legal or contractual requirement, externally imposed restriction, or by enabling legislation (including, but not limited to, the Appropriation Ordinance) shall remain in said fund solely for the purpose the fund was intended.

Section 6. All Funds, not otherwise contained herein, established by the City Council in previous fiscal years or during the current fiscal year, are appropriated for the purposes established by applicable laws and/or in accordance with provisions of agreements authorized by Council and for projects contained in the Council-approved CIP or authorized by Council resolution. The CFO is authorized and directed to appropriate and expend monies within the funds for services provided by those funds. The CFO is authorized and directed to return any surplus monies to the contributing funds or, when the contributing funds cannot be legally determined, to the General Fund.

Section 7. The CFO is authorized and directed to transfer current and/or prior years' surplus monies within the Flexible Benefit/Management Benefit Programs' reimbursement funds after fiscal year end. Any remaining surplus monies (excluding flexible spending accounts) in the reimbursement funds may be transferred by the CFO to the Risk Management Administration Fund (Fund No. 720048) to be expended, up to the full forfeited amount, for programs which benefit City employees.

The CFO is authorized and directed to transfer surplus/reserves within other employee benefit funds or to reallocate these monies to other fringe benefit funds.

Section 8. The CFO is authorized and directed to make appropriate inter-fund transfers in accordance with the Annual Budget Document and estimated sources of revenue.

The CFO may transfer funds to related City entities in accordance with the Annual Budget Document and appropriate funding source rules and regulations.

Section 9. The CFO is authorized and directed to appropriate and expend donations in accordance with Council Policy 100-02 (City Receipt of Donations).

Section 10. All revenues generated consistent with the Public Trust pursuant to California Public Resources Code section 6306 in relation to operation of Mission Bay Park and Ocean Beach Park which are greater than expenditures for operations, maintenance and capital improvements during the fiscal year are hereby placed in a special fund to be used exclusively for past and future operations, maintenance and capital improvements and for past, current, and future expenditures uncompensated by past, current and future revenues derived from Mission Bay Park and Ocean Beach Park as required by agreements with the State of California. Unanticipated revenues are hereby appropriated for said purposes and may be expended only by Council resolution or in accordance with projects contained in the Council-approved Capital Improvements Program.

All revenues generated by sovereign trust lands granted by the State of California to the City pursuant to California Public Resources Code section 6306 are hereby appropriated for purposes consistent with the Public Trust.

Section 11. All other revenues which are not appropriated by any other section of this ordinance, and which are in excess of budgeted revenue are hereby transferred by the CFO to legally established reserve fund(s) or account(s). However, in no event shall the total

appropriations of all tax revenues as defined by article XIII B of the California Constitution made pursuant to this ordinance exceed the City's legal limit.

The total appropriation is ~~\$2,795,250,003~~ \$3,007,271,243 a portion of which will be derived from proceeds of taxes as defined within article XIII B of the California Constitution.

It is the intent of this ordinance to comply with article XIII B of the California Constitution.

Section 12. The CFO is authorized and directed to modify appropriations in accordance with the Fiscal Year 20145 Tax Rate Ordinance as approved by Council.

Section 13. The CFO is authorized and directed to close obsolete or inactive funds and appropriate and expend for the purpose of returning residual balances of such funds to their source or, if the source cannot be determined, to the General Fund. The CFO shall periodically report fund closures to the City Council and recommend the appropriation of any residual balances.

Section 14. The CFO is hereby authorized to restrict from the departmental appropriations as set forth in Attachment I an amount sufficient to assure that, in the event there is a shortfall in projected revenues, there are sufficient revenues to cover the remaining appropriations; provided that in the case that projected revenue estimates are met, the restricted funds may be released.

Section 15. Unless otherwise specified in this ordinance, the CFO is authorized to modify appropriations upon adopted City Council resolution, provided funding is available for such action and in accordance with funding source guidelines and applicable grant agreements.

Section 16. The powers of the City Council not delegated to the Mayor and CFO, as specifically set forth herein, are reserved to the Council in accordance with the terms of the Charter.

Section 17. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been available to the City Council and the public prior to the day of its final passage.

Section 18. This ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Charter sections 71, 275, and 295.

Section 19. The Mayor shall have no veto power over this ordinance pursuant to Charter section 280(a)(4).

BCW:jdf
07/10/14
Or.Dept: Mayor
Doc. No.: 818840

Attachment I

Passed by the Council of The City of San Diego on JUL 21 2014, by the following vote:

Council Members	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 21 2014

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

I HEREBY CERTIFY that the foregoing ordinance was passed on the day of its introduction, to wit, on JUL 21 2014, said ordinance being of the kind and character authorized for passage on its introduction by Section 16 of the Charter.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 20389



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